Village of Palm Springs Police Officers Pension Plan

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2024 Funding Actuarial Valuation Report and the Plan's Financial Reporting for the Year Ended September 30, 2024

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March 26, 2025

Board of Trustees
Village of Palm Springs
Police Officers Pension Plan
c/o Margaret M. Adcock, Esq.
Plan Administrator
Pension Resource Center, L.L.C.
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, Florida 33410

Re: October 1, 2024 Chapter 112.664 Compliance Report

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the Village of Palm Springs Police Officers Pension Plan (Plan) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

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

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

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; 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 this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Village and the Board concerning Plan benefits, Plan provisions and Plan members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the Village and

Board as of September 30, 2024. We reviewed the information provided for internal and year-to-year consistency, but did not audit the data. The Plan is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The economic and demographic actuarial assumptions are based upon the results of an actuarial experience study for the five-year period ending September 30, 2019. The actuarial assumptions were last updated in 2020. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future Plan experience. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future Plan experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid Plan assets will be sufficient to pay all Plan benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185 with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using a maximum amortization period of 15 years.

The Plan's funded ratio as of October 1, 2024 is 108.8% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

The Plan's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the Plan sponsor.

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 presents the actuarial position of the Plan as of the valuation date as required by statute. 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.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, and in our opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Sincerely,

GABRIEL, ROEDER, SMITH AND COMPANY

By Michelle Jones

Shelly L. Jones, M.A.A.A.
Enrolled Actuary No. 23-08646
Consultant & Actuary

By Jennifer Borregard

Jennifer M. Borregard, M.A.A.A.
Enrolled Actuary No. 23-07624
Consultant & Actuary

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SECTION A

CHAPTER 112.664, F.S. RESULTS

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68 and Using Assumptions Required Under 112.664(1)(a), F.S.

	Measurement Date		September 30, 2024
A.	Total Pension Liability (TPL)		
	Service Cost	$	333,729
	Interest		2,747,030
	Benefit Changes		0
	Difference Between Actual and Expected Experience		592,527
	Assumption Changes		0
	Benefit Payments		(1,631,451)
	Contribution Refunds		0
	Other		0
	Net Change in Total Pension Liability		2,041,835
	Total Pension Liability - (beginning of year)		39,425,659
	Total Pension Liability - (end of year)	$	41,467,494
B.	Plan Fiduciary Net Position		
	Contributions - Employer	$	390,907
	Contributions - State		260,773
	Contributions - Member		64,362
	Net Investment Income		8,314,052
	Benefit Payments		(1,631,451)
	Contribution Refunds		0
	Administrative Expenses		(64,352)
	Other		0
	Net Change in Plan Fiduciary Net Position		7,334,291
	Plan Fiduciary Net Position - (beginning of year)		37,562,933
	Plan Fiduciary Net Position - (end of year)	$	44,897,224
C.	Net Pension Liability (NPL) - (end of year): (A) - (B)	$	(3,429,730)
	Valuation Date		October 1, 2023

Certain Key Assumptions

Investment Return Assumption 6.75%

Mortality Table:

For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

	Measurement Date		September 30, 2024
A.	Total Pension Liability (TPL)		
	Service Cost	$	545,971
	Interest		2,545,543
	Benefit Changes		0
	Difference Between Actual and Expected Experience		778,206
	Assumption Changes		0
	Benefit Payments		(1,631,451)
	Contribution Refunds		0
	Other		0
	Net Change in Total Pension Liability		2,238,269
	Total Pension Liability - (beginning of year)		50,986,590
	Total Pension Liability - (end of year)	$	53,224,859
B.	Plan Fiduciary Net Position		
	Contributions - Employer	$	390,907
	Contributions - State		260,773
	Contributions - Member		64,362
	Net Investment Income		8,314,052
	Benefit Payments		(1,631,451)
	Contribution Refunds		0
	Administrative Expenses		(64,352)
	Other		0
	Net Change in Plan Fiduciary Net Position		7,334,291
	Plan Fiduciary Net Position - (beginning of year)		37,562,933
	Plan Fiduciary Net Position - (end of year)	$	44,897,224
C.	Net Pension Liability (NPL) - (end of year): (A) - (B)	$	8,327,635
	Valuation Date		October 1, 2023

Certain Key Assumptions

Investment Return Assumption 4.75%

Mortality Table:

For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

	Measurement Date		September 30, 2024
A.	Total Pension Liability (TPL)		
	Service Cost	$	211,340
	Interest		2,815,290
	Benefit Changes		0
	Difference Between Actual and Expected Experience		452,417
	Assumption Changes		0
	Benefit Payments		(1,631,451)
	Contribution Refunds		0
	Other		0
	Net Change in Total Pension Liability		1,847,596
	Total Pension Liability - (beginning of year)		31,673,611
	Total Pension Liability - (end of year)	$	33,521,207
B.	Plan Fiduciary Net Position		
	Contributions - Employer	$	390,907
	Contributions - State		260,773
	Contributions - Member		64,362
	Net Investment Income		8,314,052
	Benefit Payments		(1,631,451)
	Contribution Refunds		0
	Administrative Expenses		(64,352)
	Other		0
	Net Change in Plan Fiduciary Net Position		7,334,291
	Plan Fiduciary Net Position - (beginning of year)		37,562,933
	Plan Fiduciary Net Position - (end of year)	$	44,897,224
C.	Net Pension Liability (NPL) - (end of year): (A) - (B)	$	(11,376,017)
	Valuation Date		October 1, 2023

Certain Key Assumptions

Investment Return Assumption 8.75%

Mortality Table:

For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68 and and Using Assumptions Required Under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2025	$43,588,971	$2,866,497	$2,092,916	$44,362,552
2026	44,362,552	2,914,402	2,212,036	45,064,918
2027	45,064,918	2,957,807	2,322,653	45,700,072
2028	45,700,072	2,997,179	2,419,392	46,277,859
2029	46,277,859	3,032,438	2,522,740	46,787,557
2030	46,787,557	3,063,472	2,615,864	47,235,165
2031	47,235,165	3,090,695	2,698,487	47,627,373
2032	47,627,373	3,114,481	2,772,737	47,969,117
2033	47,969,117	3,134,924	2,845,251	48,258,790
2034	48,258,790	3,151,143	2,937,353	48,472,580
2035	48,472,580	3,163,890	2,983,871	48,652,599
2036	48,652,599	3,174,554	3,024,958	48,802,195
2037	48,802,195	3,183,326	3,061,591	48,923,930
2038	48,923,930	3,190,279	3,096,515	49,017,694
2039	49,017,694	3,195,540	3,126,015	49,087,219
2040	49,087,219	3,199,409	3,148,785	49,137,843
2041	49,137,843	3,202,184	3,166,524	49,173,503
2042	49,173,503	3,204,168	3,178,198	49,199,473
2043	49,199,473	3,205,751	3,182,905	49,222,319
2044	49,222,319	3,207,422	3,179,337	49,250,404
2045	49,250,404	3,209,603	3,171,468	49,288,539
2046	49,288,539	3,212,763	3,155,259	49,346,043
2047	49,346,043	3,217,562	3,129,924	49,433,681
2048	49,433,681	3,224,757	3,094,574	49,563,864
2049	49,563,864	3,235,200	3,048,846	49,750,218
2050	49,750,218	3,249,818	2,992,519	50,007,517
2051	50,007,517	3,269,623	2,925,185	50,351,955
2052	50,351,955	3,295,712	2,846,723	50,800,944
2053	50,800,944	3,329,256	2,757,300	51,372,900
2054	51,372,900	3,371,484	2,657,266	52,087,118
2055	52,087,118	3,423,678	2,547,184	52,963,612

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Village, Members or State: All Future Years

Certain Key Assumptions

Investment return assumption 6.75%

Mortality Table:

For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include contributions from the Village, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under Government Accounting Standards Board standards, which include Village, Member and State contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2025	$43,588,971	$2,017,009	$2,092,916	$43,513,064
2026	43,513,064	2,010,360	2,212,036	43,311,388
2027	43,311,388	1,997,955	2,322,653	42,986,690
2028	42,986,690	1,980,060	2,419,392	42,547,358
2029	42,547,358	1,956,552	2,522,740	41,981,170
2030	41,981,170	1,927,279	2,615,864	41,292,585
2031	41,292,585	1,892,460	2,698,487	40,486,558
2032	40,486,558	1,852,277	2,772,737	39,566,098
2033	39,566,098	1,806,703	2,845,251	38,527,550
2034	38,527,550	1,755,019	2,937,353	37,345,216
2035	37,345,216	1,697,670	2,983,871	36,059,015
2036	36,059,015	1,635,525	3,024,958	34,669,582
2037	34,669,582	1,568,591	3,061,591	33,176,582
2038	33,176,582	1,496,782	3,096,515	31,576,849
2039	31,576,849	1,420,041	3,126,015	29,870,875
2040	29,870,875	1,338,425	3,148,785	28,060,515
2041	28,060,515	1,251,980	3,166,524	26,145,971
2042	26,145,971	1,160,741	3,178,198	24,128,514
2043	24,128,514	1,064,792	3,182,905	22,010,401
2044	22,010,401	964,272	3,179,337	19,795,336
2045	19,795,336	859,258	3,171,468	17,483,126
2046	17,483,126	749,842	3,155,259	15,077,709
2047	15,077,709	636,232	3,129,924	12,584,017
2048	12,584,017	518,684	3,094,574	10,008,127
2049	10,008,127	397,498	3,048,846	7,356,779
2050	7,356,779	272,998	2,992,519	4,637,258
2051	4,637,258	145,541	2,925,185	1,857,614
2052	1,857,614	25,036	2,846,723	0
2053	0	0	2,757,300	0
2054	0	0	2,657,266	0
2055	0	0	2,547,184	0

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Village, Members or State: 27.58

Certain Key Assumptions

Investment return assumption 4.75%

Mortality Table:

For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include contributions from the Village, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under Government Accounting Standards Board standards, which include Village, Member and State contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2025	$43,588,971	$3,716,111	$2,092,916	$45,212,166
2026	45,212,166	3,852,567	2,212,036	46,852,697
2027	46,852,697	3,990,937	2,322,653	48,520,981
2028	48,520,981	4,132,386	2,419,392	50,233,975
2029	50,233,975	4,277,438	2,522,740	51,988,673
2030	51,988,673	4,426,616	2,615,864	53,799,425
2031	53,799,425	4,581,191	2,698,487	55,682,129
2032	55,682,129	4,742,454	2,772,737	57,651,846
2033	57,651,846	4,911,411	2,845,251	59,718,006
2034	59,718,006	5,087,891	2,937,353	61,868,544
2035	61,868,544	5,273,887	2,983,871	64,158,560
2036	64,158,560	5,472,341	3,024,958	66,605,943
2037	66,605,943	5,684,773	3,061,591	69,229,125
2038	69,229,125	5,912,667	3,096,515	72,045,277
2039	72,045,277	6,157,700	3,126,015	75,076,962
2040	75,076,962	6,421,907	3,148,785	78,350,084
2041	78,350,084	6,707,475	3,166,524	81,891,035
2042	81,891,035	7,016,762	3,178,198	85,729,599
2043	85,729,599	7,352,417	3,182,905	89,899,111
2044	89,899,111	7,717,416	3,179,337	94,437,190
2045	94,437,190	8,114,866	3,171,468	99,380,588
2046	99,380,588	8,548,172	3,155,259	104,773,501
2047	104,773,501	9,021,237	3,129,924	110,664,814
2048	110,664,814	9,538,381	3,094,574	117,108,621
2049	117,108,621	10,104,353	3,048,846	124,164,128
2050	124,164,128	10,724,346	2,992,519	131,895,955
2051	131,895,955	11,404,031	2,925,185	140,374,801
2052	140,374,801	12,149,601	2,846,723	149,677,679
2053	149,677,679	12,967,787	2,757,300	159,888,166
2054	159,888,166	13,865,885	2,657,266	171,096,785
2055	171,096,785	14,851,790	2,547,184	183,401,391

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Village, Members or State: All Future Years

Certain Key Assumptions

Investment return assumption 8.75%

Mortality Table:

For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include contributions from the Village, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under Government Accounting Standards Board standards, which include Village, Member and State contributions, the Plan is expected to be able to pay all future benefit payments.

ACTUARIALLY DETERMINED CONTRIBUTION

	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions		112.664(1)(b), F.S. Assumptions		112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption	
A. Valuation Date	October 1, 2024		October 1, 2024		October 1, 2024	
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2026		September 30, 2026		September 30, 2026	
C. Annual payroll of active employees	$ 797,331		$ 797,331		$ 797,331	
D. Total Minimum Funding Requirement						
1. Total Normal Cost	$ 269,848		$ 405,923		$ 192,248	
2. Annual Payment to Amortize Unfunded Actuarial Liability	(357,083)		1,059,328		(894,189)	
3. Interest Adjustment	11,175		35,673		11,094	
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1. + 3.)	$ 281,023		$ 1,500,924		$ 203,342	
E. Expected Payroll of Active Employees for Following Plan Year ($ / % of pay) (C x 1.000)	$ 797,331	100.00%	$ 797,331	100.00%	$ 797,331	100.00%
F. Expected Contribution Sources ($ / % of pay)						
1. Village	$ 83,556	10.48%	$ 1,303,457	163.48%	$ 5,875	0.74%
2. Member	52,624	6.60%	52,624	6.60%	52,624	6.60%
3. State	144,843	18.17%	144,843	18.17%	144,843	18.17%
4. Total	$ 281,023	35.25%	$ 1,500,924	188.24%	$ 203,342	25.50%

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

			Amortization Payment			
	Amortization Base	Current Unfunded Liabilities	Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	Remaining Funding Period
10/01/2020	Combined Bases *	$ 305,279	$ 52,602	$ 49,911	$ 55,309	7 years
10/01/2020	Actuarial Loss / (Gain)	$ (1,219,181)	$ (150,415)	$ (138,286)	$ (162,799)	11 years
10/01/2020	Method / Assumption Change	$ 1,857,029	$ 229,108	$ 210,635	$ 247,971	11 years
10/01/2021	Actuarial Loss / (Gain)	$ (1,570,509)	$ (182,767)	$ (166,782)	$ (199,143)	12 years
10/01/2022	Actuarial Loss / (Gain)	$ 673,378	$ 74,410	$ 67,408	$ 81,604	13 years
10/01/2023	Actuarial Loss / (Gain)	$ 565,608	$ 59,680	$ 53,680	$ 65,861	14 years
10/01/2024	Actuarial Loss / (Gain)	$ (848,411)	$ (85,888)	$ (76,718)	$ (95,360)	15 years
10/01/2024	Assumption Change - 112.664(1)(b), F.S. Assumptions	$ 11,716,560	N/A	$ 1,059,480	N/A	15 years
10/01/2024	Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	$ (7,897,160)	N/A	N/A	$ (887,632)	15 years

* Combined per Internal Revenue Code Regulation 1.412(b)-1

SECTION B

SUMMARY OF PLAN PROVISIONS

Summary of Provisions Considered for Actuarial Valuation
(as of October 1, 2024)

A. Participation

Police Officers employed by the Village of Palm Springs, who were hired before June 30, 2010 and elected to remain in the Plan.

B. Average Compensation

One twelfth (1/12) of average salary for the best 5 years of credited service during the last 10 years of credited service. Salary means gross earnings, subject to withholding for federal income tax purposes.

C. Standard Form of Payment

The standard form of payment of a pension to a retired participant is a series of monthly payments for life with a guaranteed benefit for 120 months following retirement. Optional forms of payment may be elected based on actuarial equivalence.

D. Normal Retirement

Eligibility. Earliest of (a) age 50 with 15 years of service, (b) age 55 with 10 years of service or (c) completion of 20 years of service, regardless of age.

Pension Amount. Three percent (3.0%) of average compensation multiplied by credited service, but subject to the provisions of section 415 of the Internal Revenue Code. The normal form of benefit is amonthly benefit payable for life with 120 months guaranteed.

E. Early Retirement

Eligibility. Members may retire upon attainment of age 50 with 10 years of service or age 45 with 15 years of service.

Pension Amount. Amount calculated for normal retirement reduced 3% for each year early retirement age precedes normal retirement date, with a maximum reduction of 15%.

F. Vested Termination Prior to Normal Retirement Eligibility

Eligibility. The vesting percentage is 50% after 5 years of credited service, increased 10% per year until reaching 100% at 10 years of credited service.

Pension Amount. The participant's accrued normal or early retirement pension. Pension is payable when the member attains age 55 and would have completed 10 years of service.

G. Disability Benefits

Eligibility . Line of Duty: no service requirement.
Non-Line of Duty: ten years of credited service.

Disability Amount . Line of duty - greater of accrued benefit or 42% of average compensation.
Non-line of duty - greater of accrued benefit or 30% of average compensation.

H. Pre-Retirement Survivor Benefits

Eligibility . Ten years of credited service.

Survivor Pension Amount . 100% of the accrued pension, reduced by a 100% Joint and Survivor factor, payable immediately. If member was not eligible for normal retirement at date of death the early retirement reduction shall apply, however the reduction for early retirement shall not exceed 15%.

I. Non-Vested Termination

A participant who terminated employment and is not eligible to retire or elect a vested deferred pension is entitled to a refund of member contributions.

J. Participant Contributions

6.6% of earnings.

K. Village Contributions

Amounts determined actuarially in accordance with Chapter 112, Florida Statutes.

L. Post-Retirement Pension Adjustments

Pensions are adjusted each October 1 by the percentage change in the Consumer Price Index during the preceding June to June year, not to exceed 3 percent. A pension will not be reduced. An adjustment will be pro-rated if the participant was not retired prior to the beginning of the preceding plan year.

M. Deferred Retirement Option Plan (DROP)

Eligibility to participate in the DROP upon attainment of normal retirement date.

N. Changes Since Most Recent Actuarial Valuation

None.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

Actuarial Assumptions and Methods Used for the Valuation (as of October 1, 2024)

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future Plan activities (actuarial assumptions) to the benefit provisions and census information of the plan, using the actuarial cost method.

The principal areas of activity which require estimates are:

(i) rates of inflation impacting assets of the Plan
(ii) long-term rates of investment return to be generated by the assets of the plan
(iii) rates of salary increases to members
(iv) rates of mortality among members, retirees and beneficiaries
(v) rates of withdrawal of active members
(vi) rates of retirement due to age and service.

In making a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - - a period of time which can be as long as a century.

Actual activities of the Pension Plan will not coincide exactly with estimated activities due to the nature of the activities. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time one or more of the estimates are modified to reflect experience trends (but not random or temporary year to year fluctuations).

Actuarial Assumptions and Methods Used for the Valuation (as of October 1, 2024)

The actuarial experience estimates regarding the NET INVESTMENT RETURN, INFLATION, REAL INVESTMENT RETURN, and SALARY INCREASE rates are used, in combination with the other estimates, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of active participant payroll.

A. Net Rate of Return. 6.75%, compounded annually net of investment expense.

B. Inflation Rates. 2.50%, compounded annually effective with the October 1, 2020 valuation. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. Recent inflation rates as measured by the Consumer Price Index, together with the assumed rate used in prior valuations, have been:

	Year Ended September 30					Average
	2024	2023	2022	2021	2020	for Period
Actual	2.25 %	3.56 %	8.46 %	5.94 %	1.50 %	4.31 %
Assumed	2.50	2.50	2.50	2.50	2.75	2.55

C. Real Investment Return Rate. 4.25%, compounded annually effective with the October 1, 2020 valuation based on the funding value of assets. This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real rates of investment return on the funding value of assets have been:

	Year Ended September 30					Average
	2024	2023	2022	2021	2020	5 Year
Total Rate	9.24 %	6.19 %	4.99 %	11.19 %	8.97 %	8.09 %
less Inflation	2.25	3.56	8.46	5.94	1.50	4.31
Actual Real Rate	6.99	2.63	(3.47)	5.25	7.47	3.78
Projected Real Rate	4.25	4.25	4.25	4.25	4.50	4.30
Projected Total Rate	6.75	6.75	6.75	6.75	7.25	6.85

The total investment return rate was computed on the funding value of assets using the approximate formula i = I divided by 1/2 (A + B - I), where I is investment income, A is the beginning of year asset funding value, and B is the end of year asset funding value.

The preceding investment return rates reflect the particular characteristics of this pension plan and the method of determining the funding value of assets. They should not be used to measure an investment advisor's performance or for comparison with other pension plans. Such use will usually mislead.

D. Lump Sum Redemption of Unused Annual Leave at Time of Retirement. Loading factor for lump sum redemption of unused annual leave is 1%.

E. Payroll Growth Assumption. 0% per annum.

F. Salary Increase Rates. Participant salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel. A schedule of rates of increases in individual salaries for sample ages follows:

	Annual Rates of Salary Increase for Sample Ages				
Attributable to:	**20**	**30**	**40**	**50**	**60**
Merit & Seniority	N/A	N/A	1.5 %	2.0 %	2.5 %
General Increase in Wage Level due to:					
Inflation	N/A	N/A	3.0	3.0	3.0
Total	N/A	N/A	4.5 %	5.0 %	5.5 %

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average	
	2024	**2023**	**2022**	**2021**	**2020**	**3 Year**	**5 Year**
% Change: Actual (1)	2.1 %	11.4 %	6.9 %	1.8 %	3.1 %	6.7 %	5.0 %
Assumed	4.9	5.0	4.8	4.8	4.0	4.9	4.7
% Change in Total Payrol	(34.3)	11.1	(21.2)	(16.3)	2.9	(16.8)	(13.1)

(1) Excluding terminations and new participants.

The following schedule illustrates the recent history of the relationship between total investment return and average pay changes.

	Year Ended September 30					Average
	2024	2023	2022	2021	2020	5 Year
Total Investment Return Rate	9.2 %	6.2 %	5.0 %	11.2 %	9.0 %	8.1 %
Rate of Change in Average Pay	2.1	11.4	6.9	1.8	3.1	5.0
Difference: Actual	7.1	(5.2)	(1.9)	9.4	5.9	3.1
Target	4.25	4.25	4.25	4.25	4.50	4.30

G. Rates of Mortality. For healthy Police Officer participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy Police Officer participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

Sample Ages (2024)	Value of $1 Monthly for Life		Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
50	$ 153.96	$ 160.34	35.86	39.76	32.74	36.57
55	145.26	152.51	30.78	34.62	27.96	31.53
60	134.34	142.96	25.82	29.54	23.36	26.73
65	121.50	131.47	21.03	24.51	19.06	22.18
70	106.04	117.68	16.48	19.60	15.02	17.91
75	88.82	101.66	12.23	14.89	11.40	13.97
80	70.82	84.11	8.30	10.48	8.30	10.48

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projection.

This estimate was used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement.

H. Rates of Withdrawal from active membership. The rates do not apply to participants eligible to retire and do not include separation on account of death or disability. Separation rates are used to measure the probabilities of participants remaining in employment. The rates of separation used are higher than those for most public safety employees. However, recent experience provided by the Village supports this deviation. These rates were first used for the October 1, 2020 valuation.

Sample Ages	Percent Separating Within Next Year
<40	N/A %
40	2.0
45	1.0
50	1.0
55	1.0

I. Rates of Disability. These assumptions represent the probabilities of active members becoming disabled.

Sample Ages	Percent Becoming Disabled Within Next Year
20	0.03 %
25	0.05
30	0.07
35	0.13
40	0.19
45	0.28
50	0.45
55	0.76

Seventy-five percent of disabilities were assumed to be duty related. These rates were first used for the October 1, 1992 valuation.

J. Rates of Retirement. These rates are used to measure the probabilities of eligible members retiring during the next year.

< 20 Years of Service		20 + Years of Service	
Retirement Age	**Percent Retiring**	**Years of Service**	**Percent Retiring**
< 51	2.5%	20 - 24	20%
51 - 64	7.5%	25 & After	40%
65 & After	100%		

Notwithstanding the above, 20% of members are assumed to enter the DROP or retire upon reaching normal retirement date and 100% of members are assumed to retire upon attaining age 65.

Actuarial Assumptions and Methods Used for the Valuation (as of October 1, 2024)

K. Cost-of-Living Increases. Pension cost-of-living increases after retirement were assumed to be 3.0% per annum.

L. Expenses. Administrative expenses are included as an additional employer contribution to provide for reimbursement of these expenses. Expenses are based on the actual expenses incurred in the fiscal year ending on the valuation date. This is unchanged from previous valuations.

M. Marital Status. Eighty-five percent of active participants who meet the age and service requirements for pre-retirement survivor benefits are estimated to be married. Female spouses are assumed to be 3 years younger than the male participant. Male spouses are assumed to be 3 years older than the female participant.

N. Valuation Date

October 1, 2024

O. Asset Valuation Method

The method used for determining the actuarial value of assets phases in the deviation between the expected return on actuarial value and actual return on market value of assets at the rate of 25% per year. The actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

P. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Plan had always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Plan.

The DROP accounts balance and Share Plan are included in the assets and liabilities as of the valuation date.

P. Cost Method (continued)

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit Cost

Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the Fund as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

Q. Disclosure of Assumptions. The investment return, salary increases, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2019. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

R. Changes Since Most Recent Actuarial Valuation.

None.

SECTION D

GLOSSARY

GLOSSARY

Actuarial Accrued Liability	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
Actuarial Assumptions	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.
Actuarial Cost Method	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.
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value	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.
Actuarial Present Value of Future Benefits	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, non-retired 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.
Actuarial Valuation	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.
Actuarial Value of Assets	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 required contribution.

Amortization Method	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.
Amortization Payment	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Annual Required Contribution	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
Closed Amortization Period	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 15 years, it is 14 years at the end of one year, 28 years at the end of two years, etc.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Equivalent Single Amortization Period	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.
Experience Gain/Loss	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

GASB	Governmental Accounting Standards Board.
GASB No. 67 and GASB No. 68	These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
Open Amortization Period	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 15 years, the same 15-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.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	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.