



August 29, 2024

Ms. Siera Feketa, MBA
Pension Administrator
Foster & Foster
2503 Del Prado Blvd. S
Suite 502
Cape Coral, Florida 33904

Re: Retirement Plan for Employees of the Town of Surfside

Dear Siera:

As requested, we are pleased to provide the October 1, 2023 Chapter 112.664 Compliance Report for the Retirement Plan for Employees of the Town of Surfside (Plan).

As required, we will timely upload the required data to the State's online portal.

Please note we understand the following items must be posted on the Plan's website and must be posted on any website containing budget information relating to the Town or actuarial or performance information relating to the Plan:

- this compliance report
- the most recent financial statement
- the most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet
http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets
- for the previous five years - a side-by-side comparison of the Plan's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Plan's portfolio
- the Plan's funded ratio as determined in the most recent actuarial valuation – 73.6% on a market value of assets basis as of October 1, 2023.

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosure

Retirement Plan for Employees of the Town of Surfside

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2023 Funding Actuarial Valuation Report and the Plan's Financial Reporting for the Year Ended September 30, 2023





August 29, 2024

Pension Board
Retirement Plan for Employees
of the Town of Surfside
c/o Ms. Siera Feketa, MBA
Pension Administrator
Foster & Foster
2503 Del Prado Blvd. S
Suite 502
Cape Coral, Florida 33904

Re: October 1, 2023 Chapter 112.664 Compliance Report

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the Retirement Plan for Employees of the Town of Surfside (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 Town 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 Town and Board as of September 30, 2023. 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 Board's assumptions are based on the results of an actuarial Experience Study for the five-year period ended September 30, 2014. 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 percentage of payroll and the funded status of the Plan 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 with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 30 years.

The Plan's funded ratio as of October 1, 2023 is 73.6% 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.

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.

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 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, 2023
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,364,748
Interest	2,803,653
Benefit Changes	0
Difference Between Actual and Expected Experience	(107,688)
Assumption Changes	0
Benefit Payments	(1,200,989)
Contribution Refunds	(406,600)
Other	0
Net Change in Total Pension Liability	\$ 2,453,124
Total Pension Liability (TPL) - (beginning of year)	38,236,652
Total Pension Liability (TPL) - (end of year)	\$ 40,689,776
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 1,508,275
Contributions - State	0
Contributions - Member	587,808
Net Investment Income	2,588,885
Benefit Payments	(1,200,989)
Contribution Refunds	(406,600)
Administrative Expenses	(137,756)
Other	5,649
Net Change in Plan Fiduciary Net Position	\$ 2,945,272
Plan Fiduciary Net Position - (beginning of year)	29,022,549
Plan Fiduciary Net Position - (end of year)	\$ 31,967,821
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 8,721,955
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 7.25%

Mortality Table:

General Employees: For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. Police Officers: For healthy 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 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 projected mortality improvements.



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

	September 30, 2023
Measurement Date	
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 2,138,317
Interest	2,715,942
Benefit Changes	0
Difference Between Actual and Expected Experience	(87,271)
Assumption Changes	0
Benefit Payments	(1,200,989)
Contribution Refunds	(406,600)
Other	0
Net Change in Total Pension Liability	\$ 3,159,399
Total Pension Liability (TPL) - (beginning of year)	50,289,931
Total Pension Liability (TPL) - (end of year)	\$ 53,449,330
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 1,508,275
Contributions - State	0
Contributions - Member	587,808
Net Investment Income	2,588,885
Benefit Payments	(1,200,989)
Contribution Refunds	(406,600)
Administrative Expenses	(137,756)
Other	5,649
Net Change in Plan Fiduciary Net Position	\$ 2,945,272
Plan Fiduciary Net Position - (beginning of year)	29,022,549
Plan Fiduciary Net Position - (end of year)	\$ 31,967,821
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 21,481,509
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 5.25%

Mortality Table:

General Employees: For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. Police Officers: For healthy 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 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 projected mortality improvements.



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

Measurement Date	September 30, 2023
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 922,404
Interest	2,780,796
Benefit Changes	0
Difference Between Actual and Expected Experience	(120,280)
Assumption Changes	0
Benefit Payments	(1,200,989)
Contribution Refunds	(406,600)
Other	0
Net Change in Total Pension Liability	\$ 1,975,331
Total Pension Liability (TPL) - (beginning of year)	30,204,565
Total Pension Liability (TPL) - (end of year)	\$ 32,179,896
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 1,508,275
Contributions - State	0
Contributions - Member	587,808
Net Investment Income	2,588,885
Benefit Payments	(1,200,989)
Contribution Refunds	(406,600)
Administrative Expenses	(137,756)
Other	5,649
Net Change in Plan Fiduciary Net Position	\$ 2,945,272
Plan Fiduciary Net Position - (beginning of year)	29,022,549
Plan Fiduciary Net Position - (end of year)	\$ 31,967,821
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 212,075
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 9.25%

Mortality Table:

General Employees: For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. Police Officers: For healthy 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 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 projected mortality improvements.



Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
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)
2024	\$ 31,115,860	\$ 2,196,520	\$ 1,528,408	\$ 31,783,972
2025	31,783,972	2,239,928	1,657,877	32,366,023
2026	32,366,023	2,276,442	1,804,204	32,838,261
2027	32,838,261	2,303,484	1,989,403	33,152,342
2028	33,152,342	2,319,259	2,169,463	33,302,138
2029	33,302,138	2,322,912	2,354,983	33,270,067
2030	33,270,067	2,313,992	2,524,726	33,059,333
2031	33,059,333	2,293,338	2,663,081	32,689,590
2032	32,689,590	2,263,508	2,740,923	32,212,175
2033	32,212,175	2,225,869	2,818,829	31,619,215
2034	31,619,215	2,179,853	2,896,714	30,902,354
2035	30,902,354	2,125,306	2,962,977	30,064,683
2036	30,064,683	2,063,232	2,997,560	29,130,355
2037	29,130,355	1,993,169	3,057,381	28,066,143
2038	28,066,143	1,914,668	3,092,020	26,888,791
2039	26,888,791	1,828,444	3,114,298	25,602,937
2040	25,602,937	1,734,571	3,130,988	24,206,520
2041	24,206,520	1,632,713	3,146,893	22,692,340
2042	22,692,340	1,521,959	3,172,019	21,042,280
2043	21,042,280	1,402,381	3,170,684	19,273,977
2044	19,273,977	1,273,482	3,188,638	17,358,821
2045	17,358,821	1,134,721	3,186,371	15,307,171
2046	15,307,171	986,996	3,160,132	13,134,035
2047	13,134,035	829,568	3,156,932	10,806,671
2048	10,806,671	661,972	3,127,643	8,341,000
2049	8,341,000	484,672	3,090,027	5,735,645
2050	5,735,645	297,308	3,050,794	2,982,159
2051	2,982,159	98,648	3,025,885	54,922
2052	54,922	-	2,985,488	-
2053	-	-	2,954,417	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the Town, Members or State: 28.00

Certain Key Assumptions

Investment return assumption 7.25%

Mortality Table:

General Employees: For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. Police Officers: For healthy 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 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 projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the Town, Members 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 the Government Accounting Standards Board standards which include Town, 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)
2024	\$ 31,115,860	\$ 1,590,458	\$ 1,528,408	\$ 31,177,910
2025	31,177,910	1,590,063	1,657,877	31,110,096
2026	31,110,096	1,582,374	1,804,204	30,888,266
2027	30,888,266	1,565,503	1,989,403	30,464,366
2028	30,464,366	1,538,167	2,169,463	29,833,070
2029	29,833,070	1,499,790	2,354,983	28,977,877
2030	28,977,877	1,450,103	2,524,726	27,903,254
2031	27,903,254	1,389,781	2,663,081	26,629,954
2032	26,629,954	1,320,737	2,740,923	25,209,768
2033	25,209,768	1,243,979	2,818,829	23,634,918
2034	23,634,918	1,159,102	2,896,714	21,897,306
2035	21,897,306	1,066,008	2,962,977	20,000,337
2036	20,000,337	965,441	2,997,560	17,968,218
2037	17,968,218	857,067	3,057,381	15,767,904
2038	15,767,904	740,573	3,092,020	13,416,457
2039	13,416,457	616,493	3,114,298	10,918,652
2040	10,918,652	484,888	3,130,988	8,272,552
2041	8,272,552	345,519	3,146,893	5,471,178
2042	5,471,178	197,738	3,172,019	2,496,897
2043	2,496,897	46,293	3,170,684	-
2044	-	-	3,188,638	-
2045	-	-	3,186,371	-
2046	-	-	3,160,132	-
2047	-	-	3,156,932	-
2048	-	-	3,127,643	-
2049	-	-	3,090,027	-
2050	-	-	3,050,794	-
2051	-	-	3,025,885	-
2052	-	-	2,985,488	-
2053	-	-	2,954,417	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the Town, Members or State: 19.75

Certain Key Assumptions

Investment return assumption 5.25%

Mortality Table:

General Employees: For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. Police Officers: For healthy 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 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 projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the Town, Members 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 the Government Accounting Standards Board standards which include Town, 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)
2024	\$ 31,115,860	\$ 2,802,672	\$ 1,528,408	\$ 32,390,124
2025	32,390,124	2,914,143	1,657,877	33,646,390
2026	33,646,390	3,023,115	1,804,204	34,865,301
2027	34,865,301	3,126,710	1,989,403	36,002,608
2028	36,002,608	3,223,011	2,169,463	37,056,156
2029	37,056,156	3,311,295	2,354,983	38,012,468
2030	38,012,468	3,391,364	2,524,726	38,879,106
2031	38,879,106	3,464,689	2,663,081	39,680,714
2032	39,680,714	3,534,990	2,740,923	40,474,781
2033	40,474,781	3,604,591	2,818,829	41,260,543
2034	41,260,543	3,673,424	2,896,714	42,037,253
2035	42,037,253	3,741,995	2,962,977	42,816,271
2036	42,816,271	3,812,345	2,997,560	43,631,056
2037	43,631,056	3,884,755	3,057,381	44,458,430
2038	44,458,430	3,959,575	3,092,020	45,325,985
2039	45,325,985	4,038,723	3,114,298	46,250,410
2040	46,250,410	4,123,407	3,130,988	47,242,829
2041	47,242,829	4,214,420	3,146,893	48,310,356
2042	48,310,356	4,311,924	3,172,019	49,450,261
2043	49,450,261	4,417,432	3,170,684	50,697,009
2044	50,697,009	4,531,868	3,188,638	52,040,239
2045	52,040,239	4,656,229	3,186,371	53,510,097
2046	53,510,097	4,793,488	3,160,132	55,143,453
2047	55,143,453	4,944,732	3,156,932	56,931,253
2048	56,931,253	5,111,551	3,127,643	58,915,161
2049	58,915,161	5,296,921	3,090,027	61,122,055
2050	61,122,055	5,502,998	3,050,794	63,574,259
2051	63,574,259	5,731,058	3,025,885	66,279,432
2052	66,279,432	5,983,284	2,985,488	69,277,228
2053	69,277,228	6,262,115	2,954,417	72,584,926

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

Certain Key Assumptions

Investment return assumption 9.25%

Mortality Table:

General Employees: For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. Police Officers: For healthy 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 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 projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the Town, Members 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 the Government Accounting Standards Board standards which include Town, 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, 2023	October 1, 2023	October 1, 2023
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2025	September 30, 2025	September 30, 2025
C. Annual Payroll of Active Employees	\$ 7,709,801	\$ 7,709,801	\$ 7,709,801
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 1,643,606	\$ 2,518,307	\$ 1,148,006
2. Annual Payment to Amortize Unfunded Actuarial Liability	670,453	1,420,005	(34,073)
3. Interest Adjustment	21,681	15,998	27,155
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1.)	\$ 2,335,740	\$ 3,954,310	\$ 1,148,006
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.040)	\$ 8,018,193 104.00%	\$ 8,018,193 104.00%	\$ 8,018,193 104.00%
F. Expected Contribution Sources (\$ / % of pay)			
1. Town and State	\$ 1,788,975 22.31%	\$ 3,470,260 43.28%	\$ 920,269 11.48%
2. Member	641,455 8.00%	641,455 8.00%	641,455 8.00%
3. Total	\$ 2,430,430 30.31%	\$ 4,111,715 51.28%	\$ 1,561,724 19.48%

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
		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%	
10/01/2009 Combined Bases * - General Employees	\$ 1,628	\$ 219	\$ 203	\$ 235	10 years
10/01/2010 Actuarial (Gain) / Loss - General Employees	210,668	20,469	18,087	22,934	17 years
10/01/2010 Assumption Changes - General Employees	(113,179)	(10,997)	(9,717)	(12,321)	17 years
10/01/2011 Actuarial (Gain) / Loss - General Employees	77,592	7,322	6,430	8,247	18 years
10/01/2011 Combined Charge Bases * - Police Officers	5,203,318	588,748	534,244	644,660	13 years
10/01/2011 Combined Credit Bases * - Police Officers	(4,099,937)	(550,585)	(510,618)	(591,213)	10 years
10/01/2012 Actuarial (Gain) / Loss - General Employees	151,988	13,969	12,194	15,813	19 years
10/01/2012 Actuarial (Gain) / Loss - Police Officers	524,919	48,246	42,113	54,613	19 years
10/01/2012 Assumption Changes - General Employees	114,835	10,555	9,213	11,948	19 years
10/01/2012 Assumption Changes - Police Officers	39,651	3,644	3,181	4,125	19 years
10/01/2013 Actuarial (Gain) / Loss - General Employees	83	7	6	8	20 years
10/01/2013 Actuarial (Gain) / Loss - Police Officers	(30,912)	(2,774)	(2,407)	(3,155)	20 years
10/01/2013 Plan Amendment - Police Officers	36,772	3,300	2,863	3,753	20 years
10/01/2014 Actuarial (Gain) / Loss - General Employees	84,406	7,410	6,393	8,468	21 years
10/01/2014 Actuarial (Gain) / Loss - Police Officers	(152,078)	(13,350)	(11,519)	(15,256)	21 years
10/01/2015 Actuarial (Gain) / Loss - General Employees	149,406	12,856	11,031	14,757	22 years
10/01/2015 Actuarial (Gain) / Loss - Police Officers	(155,141)	(13,350)	(11,455)	(15,324)	22 years
10/01/2015 Assumption Changes - General Employees	138,697	11,935	10,241	13,700	22 years
10/01/2015 Assumption Changes - Police Officers	268,181	23,077	19,801	26,489	22 years
10/01/2015 Plan Amendment - General Employees	290,697	25,014	21,464	28,713	22 years
10/01/2016 Actuarial (Gain) / Loss - General Employees	303,576	25,649	21,890	29,568	23 years
10/01/2016 Actuarial (Gain) / Loss - Police Officers	(77,384)	(6,538)	(5,580)	(7,537)	23 years
10/01/2016 Assumption Changes - General Employees	36,839	3,113	2,656	3,588	23 years
10/01/2016 Assumption Changes - Police Officers	55,549	4,693	4,006	5,410	23 years
10/01/2017 Actuarial (Gain) / Loss - General Employees	(229,926)	(19,104)	(16,219)	(22,113)	24 years
10/01/2017 Actuarial (Gain) / Loss - Police Officers	(187,599)	(15,587)	(13,233)	(18,042)	24 years
10/01/2018 Actuarial (Gain) / Loss - General Employees	134,477	11,003	9,294	12,786	25 years
10/01/2018 Plan Amendment - General Employees	1,551,680	126,958	107,240	147,535	25 years
10/01/2018 Plan Amendment - CBA - General Employees	31,567	2,583	2,182	3,001	25 years
10/01/2018 Actuarial (Gain) / Loss - Police Officers	272,465	22,293	18,831	25,906	25 years
10/01/2018 Plan Amendment - CBA - Police Officers	816,202	66,782	56,410	77,605	25 years



Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

	<u>Amortization Base</u>	Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
			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%	
10/01/2019	Actuarial (Gain) / Loss - General Employees	170,874	13,785	11,587	16,079	26 years
10/01/2019	Assumption Changes - General Employees	(198,134)	(15,984)	(13,435)	(18,645)	26 years
10/01/2019	Actuarial (Gain) / Loss - Police Officers	(261,404)	(21,088)	(17,725)	(24,598)	26 years
10/01/2019	Assumption Changes - Police Officers	(359,325)	(28,988)	(24,365)	(33,813)	26 years
10/01/2020	Actuarial (Gain) / Loss - General Employees	513,694	40,906	34,219	47,887	27 years
10/01/2020	Actuarial (Gain) / Loss - Police Officers	(12,598)	(1,003)	(839)	(1,174)	27 years
10/01/2021	Actuarial (Gain) / Loss - General Employees	(110,464)	(8,692)	(7,237)	(10,210)	28 years
10/01/2021	Actuarial (Gain) / Loss - Police Officers	(188,173)	(14,806)	(12,329)	(17,393)	28 years
10/01/2022	Actuarial (Gain) / Loss - General Employees	272,321	21,193	17,567	24,977	29 years
10/01/2022	Actuarial (Gain) / Loss - Police Officers	99,393	7,735	6,412	9,116	29 years
10/01/2022	Plan Amendment - CBA - General Employees	23,669	1,842	1,527	2,171	29 years
10/01/2022	Plan Amendment - CBA - Police Officers	746,203	58,071	48,137	68,441	29 years
10/01/2023	Actuarial (Gain) / Loss - General Employees	1,225,725	94,423	77,930	111,635	30 years
10/01/2023	Actuarial (Gain) / Loss - Police Officers	1,499,310	115,499	95,325	136,552	30 years
10/01/2023	Assumption Change - 112.664(1)(b), F.S. Assumptions	13,589,472	N/A	864,006	N/A	30 years
10/01/2023	Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(9,047,298)	N/A	N/A	(823,999)	30 years
	TOTAL		\$ 670,453	\$ 1,420,005	\$ (34,073)	

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



SECTION B

SUMMARY OF PLAN PROVISIONS

**Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2023)**

A. Effective Date:

January 1, 1962. Most recent amendatory Ordinance considered: 2023-1751.

B. Eligibility Requirements:

All regular, full-time employees are eligible upon employment. The Town Manager and Town Attorney have the right to opt out of the Plan.

C. Creditable Service:

All service of a member measured in years and completed calendar months since latest date of hire with the Town.

D. Average Final Compensation (AFC):

The average of basic compensation during the highest three years (five years for General Employees) of the ten years preceding termination of employment; includes shift differential and first 75 hours of overtime for sworn law enforcement officers and communication operators; does not include bonuses, lump sum payments of unused leave or other nonregular payments.

E. Normal Retirement:

1. Eligibility:

For sworn Police Officers retired prior to February 1, 2020, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For sworn Police Officers retired on or after February 1, 2020, the earliest of (1) age 50 with 20 years of Creditable Service, (2) age 59 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003.

For a participating Town Manager and the Town Attorney, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 64 with 7 years of Creditable Service.

For all other employees who retire prior to January 1, 2020, the earliest of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service. For all other employees who retire on or after January 1, 2020, the earliest of (1) age 50 with 20 years of Creditable Service or (2) age 52 with 15 years of Creditable Service or (3) age 55 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2.0%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2.0%	2.5%
2/1/2003 - 9/30/2005	2.0%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2.0%	2.5%	N/A	3.0% ¹
10/1/2006 - 9/30/2016	2.0%	2.5%	N/A	3.5% ¹
10/1/2016 forward	N/A	N/A	2.65% ²	2.8% ² / 3.0% ³ / 3.5% ¹

Maximum benefit is 90% (75% prior to October 1, 2006) of AFC for Police Officers, 80% (68% prior to January 1, 2020, 60% prior to October 1, 2016) of AFC for General Employees and 80% (60% prior to October 1, 2016) of AFC for Senior Management Employees.

¹ For Police Officers only.

² For General Employees only.

³ For Senior Management Employees only.



**Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2023)**

3. Form of Payment:

Straight life annuity with guaranteed refund of Accumulated Contributions (with options available).

F. Early Retirement:

1. Eligibility:

For sworn Police Officers, Town Manager and Attorney, the earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age. For all other employees effective January 1, 2020, 20 years of Creditable Service regardless of age (prior to January 1, 2020 eligibility was the earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age).

2. Benefit:

Same as Normal Retirement Benefit using AFC and Creditable Service as of Early Retirement Date but payable at Normal Retirement Date assuming continued employment. Alternatively, benefits may commence immediately after reduction of 0.5% for each month early.

G. Delayed Retirement:

1. Eligibility:

Retirement after Normal Retirement Date.

2. Benefit:

Calculated in the same manner as Normal Retirement Benefit using AFC and Creditable Service as of delayed retirement date.

H. Disability Retirement:

1. Service Connected:

a) Eligibility:

Total and permanent disability incurred prior to normal retirement date as a direct result of performance of service to the Town and eligible for Social Security disability benefits.

b) Benefit:

75% (if injury) or 45% (if disease) of the rate of pay in effect on date of disability payable for life or until recovery. For General Employees, less Social Security disability benefits; there is an offset for Workers' Compensation to the extent that the disability benefit plus the Workers' Compensation benefit exceed 100% of preretirement salary.

2. Non-Service Connected:

a) Eligibility:

Total and permanent disability not incurred as a direct result of performance of service to the Town.



**Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2023)**

b) Benefit:

Accrued pension benefit.

I. Death Benefit:

1. Pre-Retirement:

Refund of Accumulated Contributions

2. After Normal Retirement Date but before Actual Retirement:

Survivor benefit payable in accordance with optional form of benefit chosen by member.

3. After Retirement:

Refund of any remaining Accumulated Contributions or optional survivor's benefits if elected.

J. Accumulated Contributions:

The sum of all amounts contributed by members including 4% interest on contributions made after January 1, 1979. Effective January 1, 2009, member contributions are *picked-up* by the Town.

K. Termination Benefit:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.
2. The benefit as for normal retirement using AFC and Creditable Service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Creditable Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

3. A participating Town Manager and the Town Attorney 100% vested upon completion of 7 years of Creditable Service.



**Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2023)**

L. Cost of Living Increase

For Police Officers who retire on or before January 14, 2020, a 1.5% automatic annual cost of living increase is provided for retirees, disableds, beneficiaries and vested terminated members. For Police Officers who retire after January 14, 2020, a 2.0% automatic annual cost of living increase is provided for retirees, disableds, beneficiaries and vested terminated members.

For General and Senior Management retirees, disableds, beneficiaries and vested terminated members who retire before January 1, 2020, a 1.5% automatic annual cost of living increase is provided. For General and Senior Management retirees, disableds, beneficiaries and vested terminated members who retire on or after January 1, 2020, a 2.0% automatic annual cost of living increase is provided.

M. Deferred Retirement Option Program (DROP)

1. Eligibility: Attainment of normal retirement date.
2. The maximum period of participation in the DROP is six (6) years for sworn law enforcement officers and communication operators. The maximum period of participation in the DROP is five (5) years for all other members.
3. An employee's account in the DROP program shall be credited with interest based upon actual Fund investment return.
4. No payment may be made from DROP until the employee actually separates from service with the Town.

N. Changes Since Previous Actuarial Impact Statement

None.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2023)**

A. Mortality

General Mortality Assumptions:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without mortality improvements projected.

Sample Ages (2023)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.83	35.24	28.93
60	27.97	30.21	24.82	28.08
62	26.07	28.23	23.19	26.25

Sample Ages (2043)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	34.46	36.72	30.95
60	29.53	31.65	26.68	29.76
62	27.60	29.64	24.99	27.88

Police Mortality Assumptions:

For healthy 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 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 projected.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2023)**

A. Mortality (cont'd)

Sample Ages (2023)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	30.70	34.54	27.87
60	25.74	29.47	23.27	26.64
62	23.80	27.46	21.53	24.79

Sample Ages (2043)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.33	36.03	29.77
60	27.31	30.92	25.06	28.39
62	25.35	28.88	23.27	26.50

B. Investment Return

7.25%, compounded annually - net of investment expenses includes inflation at 2.50%.

C. Allowances for Expenses or Contingencies

Estimated expenses for upcoming year, not including investment related expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

<u>General Employees</u>	
<u>Age</u>	<u>Withdrawal Rate</u>
Under 25	30.0%
25 - 29	20.0%
30 - 34	15.0%
35 - 39	10.0%
40 - 44	9.0%
45 - 49	8.0%
50 - 54	7.0%
55 - 60	6.0%
60 & over	5.0%

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2023)**

D. Employee Withdrawal Rates (cont'd)

<u>Police Officers</u>	
<u>Service</u>	<u>Withdrawal Rate</u>
0 - 4	12.0%
5 - 6	10.0%
7	5.0%
8	2.0%
9 & over	1.0%

E. Salary Increase Factors

Current salary is assumed to increase at a rate based on the tables below - includes assumed wage inflation of 3.0%.

<u>General Employees</u>		<u>Police Officers</u>	
<u>Service</u>	<u>Salary Increase</u>	<u>Service</u>	<u>Salary Increase</u>
0 - 3	6.5%	0 - 2	8.0%
4 - 5	6.0%	3	7.0%
6	5.0%	4 - 5	6.0%
7 - 9	4.5%	6	5.0%
10 & over	4.0%	7 & over	4.0%

F. Assumed Rate of Increase in Covered Payroll to Contribution Year

4.0%, per annum.

G. Disability Benefits

1. Rates: See table below
2. Percent Service Connected: 25% for General, 80% for Police.
3. Assume 50% of Service Connected Disabilities are due to injury and 50% are due to disease.

<u>Age</u>	<u>Annual Rate of Disability</u>	
	<u>General Employees</u>	<u>Police Department</u>
20	0.07%	0.14%
30	0.11%	0.18%
40	0.19%	0.30%
50	0.51%	1.00%
60	1.66%	0.00%

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2023)**

H. Smoothed Actuarial Value of Assets

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed 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.

I. Assumed Retirement Age

Age	Annual Rate of Retirement*			
	General Employees	Senior Management	Age	Police Officers
Rates when the maximum benefit cap is not applicable				
40	N/A	N/A	40	3%
41-45	4%	4%	41-45	2%
46-47	3%	3%	46-47	1%
48-49	2%	2%	48-50	1%
50-64	5%	5%	51 & over	1%
65-69	50%	50%	NRA	50%
70	100%	100%	Past NRA	50%
Rates when the maximum benefit cap is applicable				
50-64	100%	35%		
65-69	100%	50%		
70	100%	100%		

100% of members are assumed to retire upon reaching age 65 for Police Officers.

* For Employees who meet the age and service eligibility requirements for normal or early retirement

J. Marriage Assumption

100% of all members are assumed to be married. Wives are assumed to be three years younger than their husbands.

K. Actuarial Funding Method

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

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 age at hire to his assumed retirement age to fund his estimated benefits, assuming the Plan has 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 smoothed actuarial value of assets of the Plan.

**Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2023)**

K. Actuarial Funding Method (cont'd)

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

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 Plan as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

L. 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, 2014. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015-157.

M. Change Since Previous Actuarial Impact Statement

None.

SECTION D

GLOSSARY

GLOSSARY

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

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	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.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between 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.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

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