



April 25, 2024

Board of Trustees
c/o Mr. T. Scott Baker
New Port Richey
Police Officers' Retirement System
6739 Adams Street
New Port Richey, Florida 34652

Re: New Port Richey Police Officers' Retirement System

Dear Board Members:

As requested, we are pleased to enclose the October 1, 2023 Chapter 112.664 Compliance Report for the New Port Richey Police Officers' Retirement System (System).

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

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

- this compliance report
- most recent financial statement
- 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 System'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 System portfolio
- the System's funded ratio as determined in the most recent actuarial valuation – 108.3% 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

Enclosures

New Port Richey Police Officers' Retirement System

CHAPTER 112.664, F.S. COMPLIANCE REPORT

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





April 25, 2024

Board of Trustees
City of New Port Richey
Police Officers' Retirement System
6739 Adams Street
New Port Richey, Florida 34652

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 City of New Port Richey Police Officers' Retirement System (System) 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.

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: system 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 system's funded status); and changes in system provisions or applicable law. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report is based upon information furnished by the City and the Board concerning System benefits, System provisions and System members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Board as of September 30, 2023. We reviewed the information provided for internal and year-to-year consistency, but did not audit this data. The System is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report is prepared using actuarial assumptions adopted by the Board as described in Section C. The Board's assumptions are based upon an experience study for the five-year period ended September 30, 2018 and represent an estimate of future System experience. 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 System experience or 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 System assets will be sufficient to pay all System benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to approach 100%. System minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and for 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 30 years.

The System's funded ratio as of October 1, 2023 is 108.3% defined as the ratio of the market value of System assets to the actuarial accrued liability.

The System's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of System 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 System 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 fairly presents the actuarial position of the System 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	<u>September 30, 2023</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 607,449
Interest	2,116,375
Benefit Changes	0
Difference Between Actual and Expected Experience	(504,520)
Assumption Changes	0
Benefit Payments	(1,775,176)
Contribution Refunds	(20,372)
Other	0
Net Change in Total Pension Liability	\$ 423,756
Total Pension Liability (TPL) - (beginning of year)	29,986,344
Total Pension Liability (TPL) - (end of year)	<u>\$ 30,410,100</u>
B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 385,694
Contributions - State	259,111
Contributions - Member	200,560
Net Investment Income	2,765,320
Benefit Payments	(1,775,176)
Contribution Refunds	(20,372)
Administrative Expenses	(87,909)
Other	0
Net Change in System Fiduciary Net Position	\$ 1,727,228
System Fiduciary Net Position - (beginning of year)	31,678,139
System Fiduciary Net Position - (end of year)	<u>\$ 33,405,367</u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (2,995,267)
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 7.25%

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 projected mortality improvements.



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

Measurement Date	September 30, 2023
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 932,667
Interest	1,947,933
Benefit Changes	0
Difference Between Actual and Expected Experience	(604,354)
Assumption Changes	0
Benefit Payments	(1,775,176)
Contribution Refunds	(20,372)
Other	0
Net Change in Total Pension Liability	\$ 480,698
Total Pension Liability (TPL) - (beginning of year)	37,674,445
Total Pension Liability (TPL) - (end of year)	\$ 38,155,143
 B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 385,694
Contributions - State	259,111
Contributions - Member	200,560
Net Investment Income	2,765,320
Benefit Payments	(1,775,176)
Contribution Refunds	(20,372)
Administrative Expenses	(87,909)
Other	0
Net Change in System Fiduciary Net Position	\$ 1,727,228
System Fiduciary Net Position - (beginning of year)	31,678,139
System Fiduciary Net Position - (end of year)	\$ 33,405,367
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	 \$ 4,749,776
Valuation Date	October 1, 2022

Certain Key Assumptions

Investment Return Assumption 5.25%

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 projected mortality improvements.



Net Pension Liability

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

Measurement Date	<u>September 30, 2023</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 418,623
Interest	2,198,530
Benefit Changes	0
Difference Between Actual and Expected Experience	(420,300)
Assumption Changes	0
Benefit Payments	(1,775,176)
Contribution Refunds	(20,372)
Other	0
Net Change in Total Pension Liability	\$ 401,305
Total Pension Liability (TPL) - (beginning of year)	24,666,105
Total Pension Liability (TPL) - (end of year)	<u>\$ 25,067,410</u>
 B. <u>System Fiduciary Net Position</u>	
Contributions - City	\$ 385,694
Contributions - State	259,111
Contributions - Member	200,560
Net Investment Income	2,765,320
Benefit Payments	(1,775,176)
Contribution Refunds	(20,372)
Administrative Expenses	(87,909)
Other	0
Net Change in System Fiduciary Net Position	\$ 1,727,228
System Fiduciary Net Position - (beginning of year)	31,678,139
System Fiduciary Net Position - (end of year)	<u>\$ 33,405,367</u>
 C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	 \$ (8,337,957)
 Valuation Date	 October 1, 2022

Certain Key Assumptions

Investment Return Assumption 9.25%

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 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	\$ 33,013,024	\$ 2,318,570	\$ 1,927,206	\$ 33,404,388
2025	33,404,388	2,347,620	1,909,824	33,842,184
2026	33,842,184	2,373,803	2,052,868	34,163,119
2027	34,163,119	2,393,055	2,156,229	34,399,945
2028	34,399,945	2,407,403	2,228,840	34,578,508
2029	34,578,508	2,420,936	2,213,742	34,785,702
2030	34,785,702	2,436,606	2,197,046	35,025,262
2031	35,025,262	2,454,409	2,185,859	35,293,812
2032	35,293,812	2,472,899	2,211,065	35,555,646
2033	35,555,646	2,490,703	2,241,417	35,804,932
2034	35,804,932	2,507,976	2,262,009	36,050,899
2035	36,050,899	2,526,208	2,251,740	36,325,367
2036	36,325,367	2,547,257	2,222,139	36,650,485
2037	36,650,485	2,570,011	2,243,180	36,977,316
2038	36,977,316	2,593,806	2,240,603	37,330,519
2039	37,330,519	2,619,584	2,236,207	37,713,896
2040	37,713,896	2,648,310	2,212,236	38,149,970
2041	38,149,970	2,680,028	2,209,587	38,620,411
2042	38,620,411	2,715,020	2,186,804	39,148,627
2043	39,148,627	2,754,489	2,156,615	39,746,501
2044	39,746,501	2,798,809	2,131,537	40,413,773
2045	40,413,773	2,848,650	2,093,863	41,168,560
2046	41,168,560	2,905,169	2,047,606	42,026,123
2047	42,026,123	2,969,422	1,994,093	43,001,452
2048	43,001,452	3,042,219	1,940,395	44,103,276
2049	44,103,276	3,124,233	1,885,530	45,341,979
2050	45,341,979	3,216,204	1,829,793	46,728,390
2051	46,728,390	3,318,956	1,772,221	48,275,125
2052	48,275,125	3,433,370	1,713,629	49,994,866
2053	49,994,866	3,560,360	1,654,209	51,901,017
2054	51,901,017	3,700,901	1,593,856	54,008,062
2055	54,008,062	3,856,011	1,533,384	56,330,689

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 City, Members or State:

All future years

Certain Key Assumptions

Investment return assumption

7.25%

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 projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System 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	\$ 33,013,024	\$ 1,678,807	\$ 1,927,206	\$ 32,764,625
2025	32,764,625	1,666,257	1,909,824	32,521,058
2026	32,521,058	1,649,433	2,052,868	32,117,623
2027	32,117,623	1,625,337	2,156,229	31,586,731
2028	31,586,731	1,595,416	2,228,840	30,953,307
2029	30,953,307	1,562,587	2,213,742	30,302,152
2030	30,302,152	1,528,873	2,197,046	29,633,979
2031	29,633,979	1,494,109	2,185,859	28,942,229
2032	28,942,229	1,457,081	2,211,065	28,188,245
2033	28,188,245	1,416,641	2,241,417	27,363,469
2034	27,363,469	1,372,759	2,262,009	26,474,219
2035	26,474,219	1,326,363	2,251,740	25,548,842
2036	25,548,842	1,278,616	2,222,139	24,605,319
2037	24,605,319	1,228,487	2,243,180	23,590,626
2038	23,590,626	1,175,289	2,240,603	22,525,312
2039	22,525,312	1,119,484	2,236,207	21,408,589
2040	21,408,589	1,061,532	2,212,236	20,257,885
2041	20,257,885	1,001,195	2,209,587	19,049,493
2042	19,049,493	938,397	2,186,804	17,801,086
2043	17,801,086	873,708	2,156,615	16,518,179
2044	16,518,179	807,063	2,131,537	15,193,705
2045	15,193,705	738,591	2,093,863	13,838,433
2046	13,838,433	668,744	2,047,606	12,459,571
2047	12,459,571	597,864	1,994,093	11,063,342
2048	11,063,342	526,077	1,940,395	9,649,024
2049	9,649,024	453,373	1,885,530	8,216,867
2050	8,216,867	379,758	1,829,793	6,766,832
2051	6,766,832	305,255	1,772,221	5,299,866
2052	5,299,866	229,893	1,713,629	3,816,130
2053	3,816,130	153,673	1,654,209	2,315,594
2054	2,315,594	76,598	1,593,856	798,336
2055	798,336	9,140	1,533,384	-

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 City, Members or State: 31.50

Certain Key Assumptions

Investment return assumption 5.25%

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 projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System 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	\$ 33,013,024	\$ 2,958,449	\$ 1,927,206	\$ 34,044,267
2025	34,044,267	3,054,698	1,909,824	35,189,141
2026	35,189,141	3,153,528	2,052,868	36,289,801
2027	36,289,801	3,250,231	2,156,229	37,383,803
2028	37,383,803	3,347,837	2,228,840	38,502,800
2029	38,502,800	3,452,090	2,213,742	39,741,148
2030	39,741,148	3,567,463	2,197,046	41,111,565
2031	41,111,565	3,694,779	2,185,859	42,620,485
2032	42,620,485	3,833,108	2,211,065	44,242,528
2033	44,242,528	3,981,647	2,241,417	45,982,758
2034	45,982,758	4,141,601	2,262,009	47,862,350
2035	47,862,350	4,315,971	2,251,740	49,926,581
2036	49,926,581	4,508,375	2,222,139	52,212,817
2037	52,212,817	4,718,812	2,243,180	54,688,449
2038	54,688,449	4,947,935	2,240,603	57,395,781
2039	57,395,781	5,198,581	2,236,207	60,358,155
2040	60,358,155	5,473,785	2,212,236	63,619,704
2041	63,619,704	5,775,609	2,209,587	67,185,726
2042	67,185,726	6,106,592	2,186,804	71,105,514
2043	71,105,514	6,470,665	2,156,615	75,419,564
2044	75,419,564	6,870,954	2,131,537	80,158,981
2045	80,158,981	7,311,212	2,093,863	85,376,330
2046	85,376,330	7,796,103	2,047,606	91,124,827
2047	91,124,827	8,330,484	1,994,093	97,461,218
2048	97,461,218	8,919,255	1,940,395	104,440,078
2049	104,440,078	9,567,511	1,885,530	112,122,059
2050	112,122,059	10,280,849	1,829,793	120,573,115
2051	120,573,115	11,065,417	1,772,221	129,866,311
2052	129,866,311	11,927,934	1,713,629	140,080,616
2053	140,080,616	12,875,694	1,654,209	151,302,101
2054	151,302,101	13,916,665	1,593,856	163,624,910
2055	163,624,910	15,059,514	1,533,384	177,151,040

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 City, Members or State:

All future years

Certain Key Assumptions

Investment return assumption

9.25%

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 projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of System assets does not include contributions from the City, Member or State. For this reason, this projection should not be viewed as representative of the amount of time the System can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, Member and State contributions, the System 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	\$ 3,134,616	\$ 3,134,616	\$ 3,134,616
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 794,665	\$ 1,176,260	\$ 568,053
2. Annual Payment to Amortize Unfunded Actuarial Liability	(316,094)	237,607	(866,167)
3. Interest Adjustment	<u>32,331</u>	<u>39,479</u>	<u>30,838</u>
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1. + 3.)	\$ 826,996	\$ 1,453,346	\$ 598,891
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.020)	\$ 3,197,308 102.00%	\$ 3,197,308 102.00%	\$ 3,197,308 102.00%
F. Expected Contribution Sources (\$ / % of pay)			
1. City	\$ 377,153 11.80%	\$ 1,016,615 31.80%	\$ 143,750 4.50%
2. Member	207,825 6.50%	207,825 6.50%	207,825 6.50%
3. State	<u>259,111 8.10%</u>	<u>259,111 8.10%</u>	<u>259,111 8.10%</u>
4. Total	\$ 844,089 26.40%	\$ 1,483,551 46.40%	\$ 610,686 19.10%



Unfunded Actuarial Accrued Liability Bases and Amortization Payments

<u>Amortization Base</u>	Current Unfunded Liabilities	<u>Amortization Payment</u>			Remaining Funding Period
		Valuation and 112.664(1)(a), F.S. <u>Assumptions</u>	112.664(1)(b), F.S. <u>Assumptions</u>	112.664(1)(a), F.S. <u>Assumptions Plus 2%</u>	
10/01/2017 Combined Bases *	\$(2,947,164)	\$ (244,872)	\$ (207,893)	\$ (283,443)	24 years
10/01/2017 System Amendment	1,346,630	111,888	94,991	129,512	24 years
10/01/2018 Actuarial (Gain) / Loss including Supplemental Benefit Adjustment	(1,759,469)	(143,960)	(121,601)	(167,292)	25 years
10/01/2018 System Amendment	187,726	25,210	23,380	27,070	10 years
10/01/2019 Actuarial (Gain) / Loss including Supplemental Benefit Adjustment	(377,138)	(30,425)	(25,573)	(35,489)	26 years
10/01/2019 Assumption Changes	1,239,170	99,967	84,026	116,607	26 years
10/01/2020 Actuarial (Gain) / Loss including Supplemental Benefit Adjustment	(368,074)	(29,310)	(24,519)	(34,312)	27 years
10/01/2020 Assumption Changes	(14,859)	(1,183)	(990)	(1,385)	27 years
10/01/2021 Actuarial (Gain) / Loss including Supplemental Benefit Adjustment	(1,619,492)	(127,430)	(106,105)	(149,691)	28 years
10/01/2022 Actuarial (Gain) / Loss including Supplemental Benefit Adjustment	(494,368)	(38,473)	(31,891)	(45,343)	29 years
10/01/2023 Actuarial (Gain) / Loss including Supplemental Benefit Adjustment	811,241	62,494	51,578	73,885	30 years
10/01/2023 Assumption Change - 112.664(1)(b), F.S. Assumptions	7,898,897	N/A	502,204	N/A	30 years
10/01/2023 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(5,449,098)	N/A	N/A	(496,286)	30 years
Totals		(316,094)	237,607	(866,167)	

* Combined per Internal Revenue Code Regulation 1.412(b)-1 - 30-year for resulting combined credit base



SECTION B

SUMMARY OF SYSTEM PROVISIONS

Outline of Principal Provisions of the Retirement System as of October 1, 2023

A. Effective Date:

May 1, 1977 (last amended October 15, 2019 - Ordinance No. 2019-2158).

B. Eligibility Requirements:

An actively employed Police Officer who fulfills the prescribed participation requirements. A new employee who is hired as the Police Chief may elect not to participate in the System.

C. Frozen Benefit:

The benefit structure in effect on November 7, 2017 is frozen at midnight on that date. All Members will be vested in benefits accrued as of November 7, 2017 and payable under the terms and conditions of the benefit structure then in effect.

Additional benefits will accrue in accordance with the new benefit structure as described below.

D. Contributions:

State of Florida: Any monies received or receivable by reason of laws of the State of Florida, for funding and paying for retirement benefits for Police Officers of the City.

Members: 6.5% of Earnings, reduced to equal the City Contribution in any year in which the most recent Actuarial Valuation states that the required City Contribution is less than 6.5% of covered payroll.

City: Remaining amount necessary for payment of the total cost for the year as determined in the most recent Actuarial Valuation. However, in any year in which the results of the most recent Actuarial Valuation requires City Contributions of less than 6.5% of covered payroll, then the City Contribution and Member contribution shall be shared equally.

E. Credited Service:

Total number of years and fractional parts of years of service as a Police Officer with Member contributions to the System, omitting intervening years or fractional parts of years when such Member was not employed by the City as a Police Officer. A Member who terminates employment and leaves his contributions in the Fund and is reemployed within five years will receive credit for service prior to his date of termination. A Member may receive credit for military service and prior police service under certain circumstances.



**Outline of Principal Provisions of the Retirement System
as of October 1, 2023**

F. Average Final Compensation (AFC):

For years of Credited Service earned prior to November 8, 2017:

One-twelfth of W-2 compensation plus any tax deferral elective deductions or salary reductions paid during the highest year of the final three (3) years of Credited Service (not less than the average over the five (5) best years of the last ten (10) years) immediately preceding November 8, 2017. In the final year of service prior to November 8, 2017 a Member may be paid 100% of accrued vacation and 50% of accrued sick leave up to 96 hours.

For years of Credited Service earned on or after November 8, 2017:

One-twelfth of total cash remuneration paid by the City for services rendered paid during the highest three (3) years of the last five (5) years of Credited Service immediately preceding the retirement, termination or death of a Member. Salary excludes overtime in excess of 300 hours per year and accrued unused sick or annual leave.

G. Regular Base Salary (RBS):

The Member's hourly rate times two thousand-eighty (2,080) hours.

H. Normal Retirement:

1. Eligibility:

For Members with ten (10) or more years of credited service as of November 7, 2017:

Attainment of age fifty (50) and completion of ten (10) years of Credited Service.

For Members with less than ten (10) years of credited service as of November 7, 2017:

Earlier of (a) attainment of age fifty-two (52) and completion of ten (10) years of Credited Service or (b) completion of twenty-three (23) years of Credited Service.

Frozen benefit as of November 7, 2017 may be paid upon attainment of age fifty (50) and completion of ten (10) years of Credited Service.

2. Benefit:

3.5% of AFC times years of Credited Service through November 7, 2017; 3.25% of AFC times years of Credited Service on or after November 8, 2017 (maximum benefit - 75% of AFC; minimum benefit - 2% of AFC times years of Credited Service) payable for ten (10) years certain and life thereafter. An optional form of benefit may be elected by a Member.

In addition to the benefit above, Members will receive an additional supplemental benefit.



**Outline of Principal Provisions of the Retirement System
as of October 1, 2023**

I. Early Retirement:

1. Eligibility:

For Members with ten (10) or more years of credited service as of November 7, 2017:

Completion of twenty (20) years of Credited Service.

For Members with less than ten (10) years of credited service as of November 7, 2017:

Attainment of age fifty (50) and completion of ten (10) years of Credited Service.

Frozen benefit as of November 7, 2017 may be paid upon completion of twenty (20) years of Credited Service.

2. Benefit:

The accrued benefit based upon AFC and Credited Service determined as of the Early Retirement Date payable immediately. For participants with less than ten (10) years of credited service as of November 7, 2017, the portion of the accrued benefit for years of Credited Service on or after November 8, 2017 is actuarially reduced, but not more than 3% reduction for each year early retirement date precedes normal retirement date.

J. Service Connected Disability Benefit:

1. Eligibility:

Service connected injury, disease or disability which permanently incapacitates a Member from performing Police Officers' duties. Eligible for benefits from date of employment.

2. Benefit:

60% of RBS payable monthly for life or prior recovery. In addition, Members will receive an additional supplemental benefit. Minimum disability benefit is the greatest of 42% of AFC, 2% of AFC times years of Credited Service and 3.5% of RBS times years of Credited Service through November 7, 2017 plus 3.25% of RBS times years of Credited Service on or after November 8, 2017, not to exceed 75% of RBS. Upon death, the benefit will be continued in the same manner provided for under Service Incurred Preretirement Death Benefit, but provided further that the benefit, except for the additional supplemental benefit, shall be payable for a minimum of 120 monthly payments.

Benefits may be reduced for Workers' Compensation benefits, Social Security disability benefits and disability benefits from another employer for the same disability. In no event shall the benefit be reduced below the greater of 42% of AFC and 2% of AFC times years of Credited Service.

K. Non-Service Connected Disability Benefit:

1. Eligibility:

Non-service connected injury, disease or disability which permanently incapacitates a Member from performing Police Officers' duties after completing one year of Credited Service.



**Outline of Principal Provisions of the Retirement System
as of October 1, 2023**

K. Non-Service Connected Disability Benefit (cont'd):

2. Benefit:

Members prior to October 20, 1994 (including those who received Credited Service for periods prior to October 20, 1994), 30% of RBS payable monthly for life or prior recovery plus an additional monthly supplemental benefit. Minimum disability benefit after ten (10) years of Credited Service is the greatest of 25% of AFC, 2% AFC times years of Credited Service, and 3.5% of RBS times years of Credited Service through November 7, 2017 plus 3.25% of RBS times years of Credited Service on or after November 8, 2017, not to exceed 75% of RBS.

Members eligible on or after October 20, 1994 receive a benefit equal to 5% of RBS times years of Credited Service not to exceed 30% of RBS payable monthly for life or prior recovery plus an additional monthly supplemental benefit. Minimum disability benefit for a Member after ten (10) years of Credited Service is the greatest of 25% of AFC, 2% of AFC times years of Credited Service and 3.5% of RBS times years of Credited Service through November 7, 2017 plus 3.25% of RBS times years of Credited Service on or after November 8, 2017, not to exceed 75% of RBS. The benefit, except for the supplemental benefit, shall be payable for a minimum of 120 payments or prior recovery.

Benefits may be reduced for Workers' Compensation benefits, Social Security disability benefits and disability benefits from another employer for the same disability. In no event shall the benefit after ten (10) years of Credited Service be reduced below 25% of AFC or 2% of AFC times years of Credited Service.

L. Service Incurred Preretirement Death Benefit:

1. Eligibility:

Eligible for benefits from date of employment.

2. Benefit:

60% of RBS in effect on date of death plus an additional monthly supplemental benefit payable to the spouse until death. If no spouse, or upon death of the spouse, 15% of RBS payable to each unmarried child until age 18 (or to age 22, if enrolled in school); total maximum for all such children is 60% of RBS. Eligible children shall also share equally in the applicable additional monthly supplemental benefit. If no surviving spouse or eligible children, the designated beneficiary will receive 100% of the Member's accumulated contributions.

M. Non-Service Incurred Preretirement Death Benefit:

1. Eligibility:

Five (5) years of Credited Service.



**Outline of Principal Provisions of the Retirement System
as of October 1, 2023**

M. Non-Service Incurred Preretirement Death Benefit (cont'd):

2. Benefit:

30% of RBS in effect on date of death plus an additional monthly supplemental benefit payable to the spouse until remarriage or death. If no spouse, or upon remarriage or death, 7.5% of RBS payable to each unmarried child until age 18 (or to age 22, if enrolled in school); total maximum for all such children of 30% of RBS. Eligible children shall also share equally in the applicable additional monthly supplemental benefit. If no surviving spouse or eligible children, the designated beneficiary will receive 100% of the Member's accumulated contributions.

With less than five (5) years of Credited Service, refund of 100% of the Member's accumulated contributions.

N. Minimum Preretirement Death Benefit:

If the Member was vested, but not eligible for Early or Normal Retirement, the beneficiary is entitled to the benefits otherwise payable at Early or Normal Retirement, and shall receive the benefit payable monthly for ten (10) years certain.

O. Termination Benefits:

A Member who has completed less than ten (10) years of Credited Service will receive a refund of his accumulated contributions. A Member who has completed ten (10) years of Credited Service who does not withdraw his accumulated contributions will receive his accrued benefit based upon his AFC and years of Credited Service as of his date of termination payable at his Normal Retirement Date. Upon death prior to Normal Retirement Date, his beneficiary will be entitled to benefits as provided under Non-service Incurred Preretirement Death Benefits.

A Member of the plan with a frozen accrued benefit as of November 7, 2017 who does not withdraw his accumulated contributions is 100% vested in the frozen accrued benefit payable under the provisions of the prior Plan.

P. Deferred Retirement Option Plan (DROP):

1. Eligibility: Eligible for normal retirement.
2. The maximum period of participation in the DROP is sixty (60) months.
3. For Members entering the DROP prior to November 8, 2017, the Member's account in the DROP program shall be credited with interest based upon a fixed return of 6.5%. For Members entering the DROP on or after November 8, 2017, the Member's account in the DROP program shall be credited with interest based upon a fixed return of 1.5%. In lieu of the fixed return, a Member may elect for their account in the DROP program to be credited with interest based upon the actual net return of the Fund, but not less than 0%.



**Outline of Principal Provisions of the Retirement System
as of October 1, 2023**

P. Deferred Retirement Option Plan (DROP) (cont'd):

4. For Members entering the DROP prior to November 8, 2017, the Member may elect to change the interest crediting option twice during his DROP participation. For Members entering the DROP on or after November 8, 2017, the Member's interest crediting election upon DROP entry is irrevocable.
5. No payment may be made from DROP until the employee actually separates from service with the City.

Q. Supplemental Benefit:

Members prior to October 20, 1994 (including those who received Credited Service for periods prior to October 20, 1994) - an additional monthly supplemental benefit of \$400 is payable.

Members eligible on or after October 20, 1994 - the additional monthly supplemental benefit is \$200.

For Members who retire on or after October 1, 2004 - the additional monthly supplemental benefit is increased to \$500. This increase in the supplemental benefit shall be funded from the annual state monies received by the Plan in excess of \$248,077. The maximum additional state monies that can be used in each year for this benefit enhancement is \$37,082. To the extent that actual state monies received in any year are less than \$285,159, the prospective supplemental benefit on the following January 1st shall be reduced to a level that the annual state monies can fully fund. This adjusted supplemental benefit cannot be reduced below the current monthly supplemental benefit of \$400 for Members hired prior to October 20, 1994 and \$200 for Members hired on or after October 20, 1994. Any reductions in supplemental benefits will not affect the supplemental benefits prior to that date.

The additional supplemental benefit is payable for the life of the Member, except that if the Member elects a joint and survivor option and the surviving spouse of the Member or the Member's child is the joint pensioner, the entire additional supplemental benefit shall be paid for the life of the surviving spouse or until the child reaches the age of 18 (or 22, if enrolled in school).

For members who were receiving retirement benefits on October 1, 2018, including DROP participants, a one-time additional benefit payment (*13th check*) equal to the sum of current regular monthly benefit payment and the supplemental benefit payment is payable on December 1, 2019.

R. Changes From Previous Valuation:

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

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 projected mortality improvements.

Sample Ages (2023)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
	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)	
	Men	Women	Men	Women
	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. Interest to be Earned by Fund

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

C. Allowances for Expenses or Contingencies

Average of two previous years' actual administrative expense.



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

D. Employee Withdrawal Rates

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

<u>Service</u>	<u>Withdrawal Rates</u>
0	15.0%
1 - 10	9.0%
10 & Over	1.0%

E. Disability Rates

Disability rates for males and for females were used in accordance with the following illustrative example:

<u>Age</u>	<u>Disability Rates Per 100 Members</u>	<u>Age</u>	<u>Disability Rates Per 100 Members</u>
20	0.14	45	0.51
25	0.15	50	1.00
30	0.18	55	1.55
35	0.23	60 & Over	0.00
40	0.30		

F. Salary Increase Factors

Current salary was assumed to increase at a rate based on the table below per year until retirement - includes wage inflation of 3.00%.

<u>Age</u>	<u>Salary Increase</u>
< 30	7.0%
30 - 39	4.5%
40 & Over	3.5%

Extra-ordinary pay, such as for overtime, in the final averaging period is assumed to add 5% to the average final compensation.

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

2.0% per annum.

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

H. Assumed Retirement Age

For Members with ten (10) or more years of Credited Service as of November 7, 2017, 100% of Members are assumed to retire upon earlier of completion of twenty (20) years of Credited Service or age fifty (50) and completion of ten (10) years of Credited Service.

For Members with less than ten (10) years of Credited Service as of November 7, 2017, 100% of Members are assumed to retire upon earlier of completion of twenty-three (23) years of Credited Service or age fifty-two (52) and completion of ten (10) years of Credited Service.

For Members with less than ten (10) years of Credited Service as of November 7, 2017, 20% of Members are assumed to retire between the ages of fifty (50) and fifty-two (52) and completion of ten (10) years of Credited Service.

However, all active Members on the valuation date are assumed to have a minimum of one year of future service.

I. Disability Benefits

No offset was assumed for potential Workers' Compensation benefits, Social Security disability benefits or other disability benefits attributable to employment with another employer for the same disability.

J. Form of Payment

For purposes of the supplemental benefit, the joint and survivor form is assumed to be elected.

K. Valuation of Assets

The actuarial value of assets is determined by smoothing earnings in excess of or less than the assumed return over five years.

L. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal 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 entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the System 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 System 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 actuarial value of assets of the System.



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

L. Cost Methods (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 System as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

M. Marital Assumption

Females are assumed to be three (3) years younger than their male spouses. Eighty percent (80%) of active Members are assumed to be married at benefit commencement.

N. 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, 2018. The mortality rates are based upon the July 1, 2023 FRS Actuarial Valuation, as required under F.S., Chapter 2015 -157.

O. Changes From Previous Valuation

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.

<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	These are the governmental accounting standards that set the accounting rules for public retirement 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.