



nyhart  
part of FuturePlan by Ascensus®

# City of Miami Fire Fighters' and Police Officers' Retirement Trust

January 1, 2025 | COLA Fund Report

<b>Actuarial Certification</b>	<b>3</b>
<b>Executive Summary</b>	<b>5</b>
Summary Results	5
Changes Since Prior Valuation and Key Notes	6
Historical Valuation Summary	7
Plan Maturity Measures	8
Identification of Risks	9
<b>Assets Information</b>	<b>10</b>
Market Value Reconciliation	10
Membership and Benefits Cost-of-Living Adjustments Account Summary	11
Investment Results	12
Actuarial Value of Assets	14
Development of Actuarial Asset Value for COLA Transfer	15
Rate of Return on COLA Transfer Actuarial Asset Value	16
Excess Investment Return	17
<b>COLA Asset and Liability</b>	<b>18</b>
Summary of Assets Available for Benefits	18
Summary of Liabilities	19
<b>COLA Measurements</b>	<b>20</b>
COLA Fund Table Amount	20
Determination of Net Cumulative Experience Position (Preliminary)	21
<b>Plan Provisions</b>	<b>22</b>
<b>Actuarial Assumptions</b>	<b>25</b>
<b>Other Measurements</b>	<b>28</b>
Florida State Requirements	29
GASB 5 For COLA Fund	42
Low-Default-Risk Obligation Measure (LDRM)	44

At the request of the plan sponsor, this report summarizes the COLA Fund for the City of Miami Fire Fighters and Police Officers as of 1/1/2025. The purpose of this report is to communicate the following results of the valuation:

- 10/1/2024 Asset Information;
- 1/1/2025 COLA Fund Amounts.

This report has been prepared for the above purposes. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the Plan Administrator. Asset information has been provided to us by the Plan Administrator. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report.

The funding method, interest rates and mortality used in determining the COLA fund were determined by the Board. Evaluation of the reasonableness of these methods and assumptions was outside the scope of our assignment. In our opinion, all other actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan.

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.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

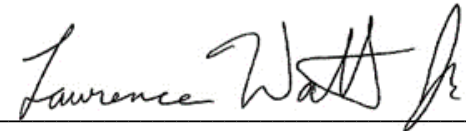
Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Nyhart



Danielle Winegardner, FSA, EA, MAAA



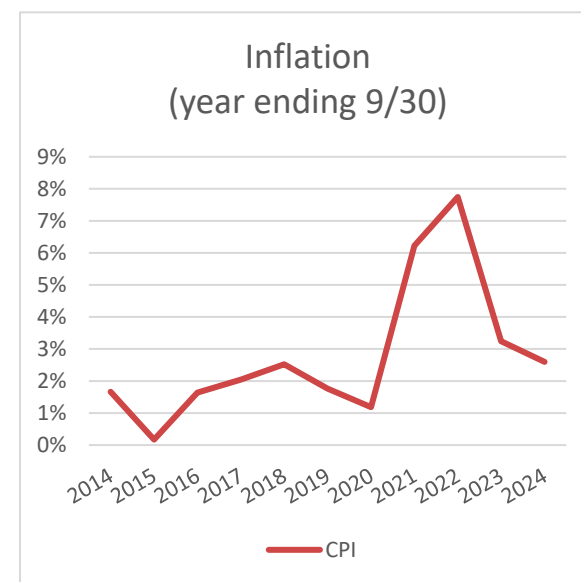
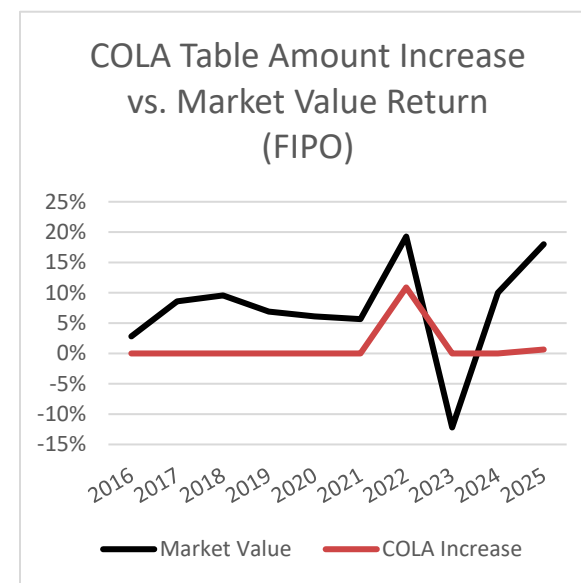
Lawrence Watts, Jr., FSA, EA, FCA, CFA, MAAA

April 11, 2025

Date

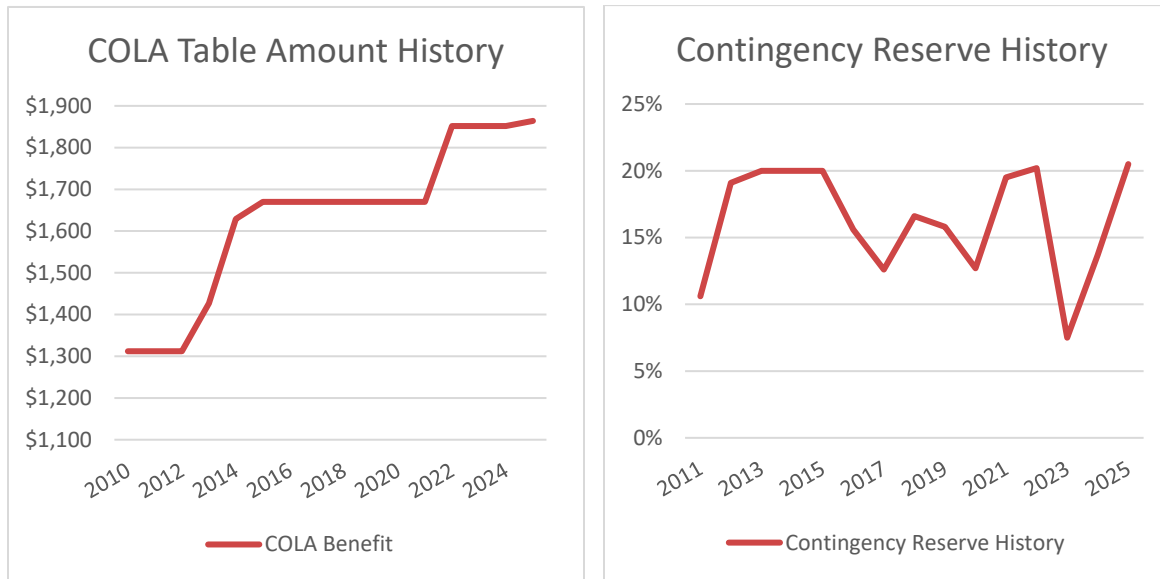
Summary Results

	October 1, 2023	October 1, 2024
<b>COLA Table Amount</b>	\$1,852	\$1,864 [Proposed]
<b>Asset Performance</b>		
Market Value of Assets	\$1,138,061,164	\$1,329,237,412
Actuarial Value of Assets	\$1,210,996,538	\$1,278,561,750
Actuarial Asset Value Return	4.40%	7.11%
COLA Fund Asset Value Return	10.20%	17.70%
<b>COLA Information</b>		
Current COLA Assets	\$429,633,960	\$480,827,379
Future Contributions (discounted)	123,317,265	128,249,958
Assets for COLA	\$552,951,225	\$609,077,337
COLA Liability	\$477,025,037	\$484,226,378
Net Reserve	13.7%	20.5%
Target Reserve (20% of Asset Value)	\$110,590,245	\$121,815,467
Actual Reserve	\$75,926,188	\$124,850,959
<b>COLA Information, after Increase in COLA Table Amount</b>		
Net Reserve	No Change	20.0%
Actual Reserve	No Change	\$121,727,266
<b>Participant Information</b>		
Active	1,855	1,879
Retirees and Beneficiaries	2,171	2,161
Disabled	102	99
Terminated Vesteds	14	15
Terminated, Due a Refund	134	130
Total	4,276	4,284



**Changes Since Prior Valuation and Key Notes**

- Based on a target reserve of 20% and following historical board practice, we believe the COLA table could be increased to \$1,864 as of January 1, 2025. The contingency reserve is 20.0%, an increase from the prior year’s 13.7%. A historical graph of the COLA table level and contingency reserve amount are below.



- In March of 2024, Foster & Foster performed an experience study covering the 2017 – 2023 plan years. As a result of this study, the retirement rates and annual pay increases assumptions have been updated to anticipate future plan experience. The new rates are listed in the Actuarial Assumptions section of this report.
- Note that securities markets have experienced considerable volatility in the months since the valuation date but prior to the publication date of this report. We strongly recommend that users consider subsequent fluctuations in trust asset values and related impacts when making decisions and analyzing the figures presented in this report.

## Historical Valuation Summary

	10/1/2018	10/1/2019	10/1/2020	10/1/2021	10/1/2022	10/1/2023	10/1/2024
<b>COLA Table Amount</b>	\$1,670	\$1,670	\$1,670	\$1,670	\$1,852	\$1,852	\$1,852
<b>Proposed COLA</b>	\$1,670	\$1,670	\$1,670	\$1,852	\$1,852	\$1,852	\$1,864
<b>Asset Performance (FIPO)</b>							
Market Value of Assets	\$1,140,506,121	\$1,149,117,960	\$1,150,108,084	\$1,306,437,051	\$1,080,862,803	\$1,138,061,164	\$1,329,237,412
Actuarial Value of Assets	\$1,172,416,575	\$1,189,509,806	\$1,176,911,870	\$1,213,074,854	\$1,209,691,816	\$1,210,996,538	\$1,278,561,750
Actuarial Asset Value Return	6.66%	6.48%	6.25%	8.44%	5.15%	4.40%	7.11%
<b>COLA Information</b>							
Current COLA Assets	\$426,176,255	\$412,090,602	\$416,022,491	\$477,331,528	\$396,278,670	\$429,633,960	\$480,827,379
Future Contributions (discounted)	\$96,631,033	\$100,496,275	\$104,516,121	\$114,013,746	\$118,574,299	\$123,317,265	\$128,249,958
Assets for COLA	\$522,807,288	\$512,586,877	\$520,538,612	\$591,345,274	\$514,852,969	\$552,951,225	\$609,077,337
COLA Liability	\$440,222,258	\$447,248,968	\$418,988,989	\$425,699,444	\$476,308,300	\$477,025,037	\$484,226,378
Net Reserve	15.80%	12.70%	19.50%	28.00%	7.50%	13.70%	20.50%
Target Reserve (20% of Asset Value)	\$104,561,458	\$102,517,375	\$104,107,722	\$118,269,055	\$102,970,594	\$110,590,245	\$121,815,467
Actual Reserve	\$82,585,030	\$65,337,909	\$101,549,623	\$165,645,830	\$38,544,669	\$75,926,188	\$124,850,959
<b>COLA Information, after Increase in COLA Table Amount</b>							
Net Reserve					20.20%		19.99%
Actual Reserve					\$119,459,275		\$121,727,266
<b>Participant Information</b>							
Active	1,998	2,003	1,931	1,915	1,935	1,855	1,879
Retirees and Beneficiaries	2,072	2,072	2,108	2,125	2,127	2,171	2,161
Disableds	130	121	115	111	109	102	99
Terminated Vesteds	14	13	26	28	18	14	15
Terminated, Due a Refund	112	115	117	120	108	134	130
Total	4,326	4,324	4,297	4,299	4,297	4,276	4,284

## Plan Maturity Measures – October 1, 2024

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the COLA Fund of the City of Miami Fire Fighters' and Police Officers' Retirement Trust falls in its life-cycle.

### **Duration of Liabilities: 11.0**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 43.8%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 15.6%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 6.5%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

**Identification of Risks**

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the COLA fund of the City of Miami Fire Fighters' and Police Officers' Retirement Trust. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

<b>Type of Risk</b>	<b>Additional Information</b>
Investment Return	Portfolio risk and substantial equity position leave the plan open to adverse market results, which could increase costs in the future.
Participant Longevity	In accordance with state law, the plan has adopted FRS' mortality tables for valuation purposes. These tables are modified from the standard tables and are subject to regular review. There is no guarantee FRS' anticipated mortality experience will mirror your plan's future experience. Deviation from expected mortality rates could impact long-term liabilities and plan cost.
Early Retirement	If more employees than expected avail themselves of the early retirement option, then this could impact estimated plan liabilities.

<b>Type of Risk</b>	<b>Method to Assess Risk</b>
Investment Return	Scenario testing; asset/liability study
Participant Longevity	Benefit projections and contribution strategy
Early Retirement	Scenario testing; review population and retirement rates

**Market Value Reconciliation**

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

		<b>September 30, 2024</b>
	Membership and Benefit Accounts	COLA Account
1. Market value – beginning of prior year	\$1,138,061,164	\$429,633,960
2. Book value – beginning of prior year	\$1,024,145,776	\$389,094,482
3. Change in asset allocation method	\$0	\$0
4. Income		
(a) City contributions	\$112,614,019	\$8,108,494
(b) Member contributions	19,600,500	0
(c) Other contributions	0	0
(d) Interest and dividends	16,755,220	5,980,033
(e) Net realized gains (losses)	56,477,947	19,925,145
(f) Securities lending income	121,433	43,203
(g) Rental and other income	279,626	65,341
(h) Income transfer	0	0
(i) Total	\$205,848,745	\$34,122,216
5. Disbursements		
(a) Benefit payments and refunds	\$151,880,120	\$31,018,019
(b) Custodial and investment expenses	2,670,181	960,471
(c) Administrative expense	1,994,835	0
(d) Book value adjustment	0	0
(e) Securities lending fees	30,335	10,793
(f) Building depreciation	17,373	6,270
g) Total	\$156,592,844	\$31,995,553
6. Book value – beginning of current year [(2)+(3)+(4i)-(5g)]	\$1,073,401,677	\$391,221,145
7. Net change in unrealized gains (losses)	\$141,920,347	\$49,066,756
8. Unrealized gains (losses)	\$255,835,735	\$89,606,234
9. Market value – beginning of current year [(1)+(3)+(4i)-(5g)+(7)]	\$1,329,237,412	\$480,827,379
10. Current year allocation to COLA II (discounted)	\$0	N/A
11. Net market value – beginning of current year	\$1,329,237,412	\$480,827,379

## Membership and Benefits Cost-Of-Living Adjustment Account Summary

	September 30, 2024	
	Market	Book
1. Investments		
(a) Bills, bonds, notes	\$477,613,362	\$493,016,389
(b) Domestic stocks	585,830,373	375,316,115
(c) International stocks	418,834,342	338,520,721
(d) Private equity	190,680,566	142,838,813
(e) Money market fund and time deposit	16,502,582	16,502,582
(f) Mutual fund	116,377,854	94,202,490
(g) Real estate	1,986,321	1,986,321
(h) Securities lending adjustment	0	0
(i) Total investment	<u>\$1,807,825,400</u>	<u>\$1,462,383,431</u>
2. Cash	\$729,305	\$729,305
3. Receivables		
(a) City contributions	\$0	\$0
(b) Member contributions	0	0
(c) Accounts receivable	5,989	5,989
(d) Accrued interest and dividend	1,848,035	1,848,035
(e) Securities sold	2,110,042	2,110,042
(f) Total receivables	<u>\$3,964,066</u>	<u>\$3,964,066</u>
4. Payables:		
(a) Budget advance	\$0	\$0
(b) Accrual expense	304	304
(c) Transfer	5	5
(d) Tax withheld	0	0
(e) Accounts payable	361,792	361,792
(f) Securities purchased	2,091,879	2,091,879
(g) Total payables	<u>\$2,453,980</u>	<u>\$2,453,980</u>
5. Total [(1i)+(2)+(3f)-(4g)]	\$1,810,064,791	\$1,464,622,822
6. COLA account	\$480,827,379	\$391,221,145
7. Current year COLA transfer	\$0	\$0
8. Membership & benefits account [(5)-(6)-(7)]	\$1,329,237,412	\$1,073,401,677

**Investment Results - Membership and Benefits Accounts**

**September 30, 2024**

Membership and Benefits Accounts

	<u>Dollar Return</u>	<u>Market Return</u>	<u>Book Return</u>
Interest	\$1,544,071	0.1%	0.2%
Dividends	15,211,149	1.3%	1.5%
Rental and Other Income, less Depreciation	262,253	0.0%	0.0%
Realized Gains	56,477,947	4.8%	5.6%
Securities Lending (Net)	91,098	0.0%	0.0%
Increase in Unrealized Gains	141,920,347	12.0%	14.0%
Custodial and Investment Expenses	(2,670,181)	(0.2%)	(0.3%)
	<u>\$212,836,684</u>	<u>18.0%</u>	<u>21.0%</u>

Investment Results - COLA I and II Accounts

September 30, 2024

COLA Accounts

	<u>Dollar Return</u>	<u>Market Return</u>	<u>Book Return</u>
Interest	\$552,537	0.1%	0.1%
Dividends	5,427,496	1.3%	1.4%
Rental and Other Income, less Depreciation	59,071	0.0%	0.0%
Realized Gains	19,925,145	4.8%	5.3%
Securities Lending (Net)	32,410	0.0%	0.0%
Increase in Unrealized Gains	49,066,756	11.7%	13.0%
Custodial and Investment Expenses	(960,471)	(0.2%)	(0.2%)
	<u>\$74,102,944</u>	<u>17.7%</u>	<u>19.6%</u>

## Actuarial Value of Assets

September 30, 2024

1.	Expected market value of assets	
	(a) Market value of assets – beginning of prior year	\$1,138,061,164
	(b) City Contributions	112,614,019
	(c) Member Contributions	19,600,500
	(d) Benefits payments and administrative expenses	(153,874,955)
	(e) Expected return	82,927,142
	(f) Expected market value of assets – beginning of current year	\$1,199,327,870
2.	Market value of assets – beginning of current year	\$1,329,237,412
3.	Present value of COLA transfers	
	(a) Current year	\$0
	(b) Next year	0
	(c) Total	\$0
4.	Market value net COLA transfer [(2)-(3)]	\$1,329,237,412
5.	Amount subject to phase in [(4)-(1f)]	\$129,909,542
6.	Phase in of asset gain loss	
	(a) Current Year [80% x \$129,909,542]	\$103,927,634
	(b) First Prior Year [60% x \$32,962,813]	19,777,688
	(c) Second Prior Year [40% x (\$253,140,368)]	(101,256,147)
	(d) Third Prior Year [20% x \$141,132,434]	28,226,487
	(e) Total Phase-In	\$50,675,662
7.	Preliminary actuarial value of assets – beginning of current year [(2)-(6e)]	\$1,278,561,750
8.	80% of Market value of assets	\$1,063,389,930
9.	120% of Market value of assets	\$1,595,084,894
10.	Adjusted actuarial value of assets	\$1,278,561,750
11.	Return on actuarial value of assets	7.11%

**Development of Actuarial Asset Value for COLA Transfer**

	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>September 30, 2024</u>
1. Book Value	\$1,040,118,129	\$1,024,145,776	\$1,073,401,677
2. Market Value	\$1,080,862,803	\$1,138,061,164	\$1,329,237,412
3. [(2)/(1)]	1.0391731	1.1112297	1.2383411
4. 3 year average of market to book value			1.1295813
5. Adjusted market value [(1)x(4)]			\$1,212,494,462
6. Contribution surplus			\$0
7. 80% of Adjusted market value, net of contribution surplus			\$1,063,389,930
8. 120% of Adjusted market value, net of contribution surplus			\$1,595,084,894
9. Adjusted actuarial value of assets			\$1,212,494,462
10. Present value of next year COLA transfer			\$0
11. Final actuarial asset value for COLA transfer purposes [(9)+(10)]			\$1,212,494,462

**Rate of return on COLA Transfer Actuarial Asset Value**

	<b>September 30, 2024</b>
1. Actuarial asset value – beginning of prior year	\$1,149,364,393
2. Contributions	
(a) City contributions	\$112,614,019
(b) Member contributions	19,600,500
(c) Total	\$132,214,519
3. Benefits and refunds	(\$151,880,120)
4. Present value of COLA transfer	\$0
5. Change in Asset Allocation Method	\$0
6. Actuarial asset value – beginning of current year	\$1,212,494,462
7. Net return on investment [(6)-(5)-(4)-(3)-(2)-(1)]	\$82,795,670
8. Rate of return	6.92%

## Excess Investment Return

September 30, 2024

1.	Expected return on actuarial asset value	
	(a) Actuarial asset value as of beginning of prior year	\$1,149,364,393
	(b) City contributions	\$112,614,019
	(c) Member contributions	\$19,600,500
	(d) Benefits paid and refunds	(\$151,880,120)
	(e) Expected return at 7.00% <sup>1</sup>	\$83,787,006
	(f) Base amount for expected return	\$1,196,957,229
2.	Actual return on actuarial asset value	\$82,795,670
3.	Excess return on assets [(2)-(1e)]	(\$991,336)
4.	Amount to be transferred to COLA fund (limited to cumulative experience position)	
	(a) Excess return	
	(i) First 2.5%	\$0
	(ii) Next 2.5%	0
	(iii) Next 2.5%	0
	(iv) Total	<u>\$0</u>
	(b) Potential COLA transfer	
	(i) 75% of (4a)(i)	\$0
	(ii) 50% of (4a)(ii)	0
	(iii) 25% of (4a)(iii)	0
	(iv) Total	<u>\$0</u>
	(c) Cumulative experience gain (loss):	(\$480,047,484)
	(d) Transfer of excess investment income <sup>2</sup> :	\$0

<sup>1</sup>Assumes mid-year member contributions and benefit payments and beginning of year City contributions.

<sup>2</sup>Excess returns can only be transferred if the Plan is in a Net Positive Experience Position. Due to the Cumulative Experience Loss, the amount of assets transferred to the COLA fund is limited to \$0.

**Summary of Assets Available for Benefits**

	October 1, 2024
1. COLA Accounts	\$480,827,379
2. Transfers of Excess Investment Income	
(a) Current year	\$0
(b) Next year	0
(c) Total	\$0
3. Minimum City Contributions	
(a) Expected contributions	\$9,120,953
(b) Permanent, discounted annuity $\ddot{a}_{\infty} \times [1/1.0700^{2.25}]$	12.2684151
(c) Expected future contributions [(a)x(b)]	\$111,899,637
4. Discounted City Contribution	
(a) \$8,432,834 due on January 1, 2025	\$8,291,395
(b) \$8,770,147 due on January 1, 2026	8,058,926
(c) Total	\$16,350,321
5. Assets available [(1)+(2)+(3)+(4)]	\$609,077,337

**Summary of Liabilities**

**October 1, 2024**

1.	Present value of existing COLA benefits	
	(a) COLA for inactives	399,782,178
	(b) Reserve for current actives	73,429,739
	(c) Reserve for future actives [(15% of (b))]	11,014,461
	(d) Total	\$484,226,378
2.	Contingency reserve [20% of assets available]	\$121,815,467
3.	Reserve shortfall (not greater than \$0)	\$0
4.	Sum of present value of existing COLA benefits and reserve [(1d)+(2)+(3)]	\$606,041,845

**COLA Fund Table Amount**

	<b>October 1, 2024</b>
1. Assets available for COLA benefits	\$609,077,337
2. Present value of future benefits based on current table	
(a) COLA II for inactives	\$399,570,701
(b) Reserve for current actives	73,429,739
(c) Reserve for future actives	11,014,461
(d) Subtotal	\$484,014,901
(e) COLA I for inactives	\$211,477
(f) Total	\$484,226,378
3. 20% Contingency reserve	\$121,815,467
4. Reserve shortfall (not greater than \$0)	\$0
5. Available assets [(1)-(2)-(3)-(4)]	\$3,035,492
6. Excess investment income transfer, discounted	\$0
7. Net available assets [(5)-(6)]	\$3,035,492
8. Increase ratio [(7)/(2d)]	0.006271
9. Prior year COLA	\$1,852
10. Potential table increase [(8)x(9)]	\$12
11. Potential new table amount [(9)+(10)]	\$1,864

**Determination of Net Cumulative Experience Position (Preliminary)****October 1, 2024**

1. Expected unfunded actuarial liability	
(a) Expected unfunded actuarial liability – beginning of prior year	\$557,040,738
(b) Entry age normal cost – payable by employer	26,843,504
(c) Assumption changes	56,775,120
(d) Plan and Method changes	38,003,272
(e) Contributions	(112,614,019)
(f) Interest on prior year unfunded actuarial liability	73,017,183
(g) Expected unfunded actuarial liability – beginning of current year	<u>\$639,065,798</u>
2. Entry age reserve <sup>1</sup>	
(a) Active	\$833,722,155
(b) Inactive	<u>1,563,952,877</u>
(c) Total	\$2,397,675,032
3. Actuarial asset value	\$1,278,561,750
4. Actual unfunded actuarial liability [(2)-(3)]	\$1,119,113,282
5. Cumulative experience gain (loss) [(1g)-(4)]	(\$480,047,484)
Future Transfers of Excess Investment Income	
Contribution for current year, discounted	\$0
Contribution for next year, discounted	\$0
Preliminary transfer	<u>\$0</u>
Final transfer – if cumulative loss, then 0	\$0

<sup>1</sup>The assumptions and plan provisions used can be found in the October 1, 2024 actuarial valuation report and the 2024 Experience Study. The entry age reserve above is based on the October 1, 2024 valuation results.

---

## Plan Status

January 1, 1994 amended January 1, 1995. Provisions most recently amended by Ordinance No. 14299 on July 25, 2024.

## Eligibility for Participation

All inactive members in Miami Firefighters' and Police Officers' Retirement Trust

## Available Assets:

Existing COLA assets as of January 1, 1995; beginning with the 1991/92 fiscal year, a percentage of excess investment return on FIPO assets (75% of first 2.5%, 50% of next 2.5%, 25% of next 2.5%), subject to a minimum City contribution of \$2.5 million, increasing 4% annually.

## Allocated Assets:

Current COLA assets as of September 30, 2024, plus present value of \$2.5 million minimum guarantee. The 4% future annual increase is not pre-allocated. A contingency reserve of 20% has been established for adverse experience.

## COLA Benefits:

In addition to prior COLA, benefits are based on attached table, with \$1,852 monthly benefit for 25 years of creditable service and 22 completed years of retirement (after age 46). The \$1,852 amount is reduced by 5% for each year of retirement less than 22 and each year of creditable service less than 25 and increased similarly for years of retirement greater than 22 and years of creditable service greater than 25.

Benefits are based on the FIPO option elected. Tabular amounts are adjusted, based on the FIPO adjustments at the time of FIPO benefit commencement, for options other than Option 8 (Joint & 40%). Surviving spouses receive the percentage of the table amount determined under the FIPO election.

Service-incurred and accidental disabilities and deaths receive benefits based on the greater of 25 years or actual creditable service.

---

**Creditable Service**

For Vesting and Benefit Accrual:

Service credited under Retirement System; military service (maximum of four years) during wartime for which Member makes contributions; maternity leave (maximum of 180 days for each leave) for which Member makes contributions; up to 5 years, without member contributions, if member was an employee before period of military service.

Accumulated leave balances may be transferred into system immediately prior to retirement to purchase up to 3 whole years of additional Creditable Service, on an actuarially equivalent basis.

457 balances of Firefighters may be transferred into System at retirement to purchase up to 3 whole years of additional Creditable Service for multiplier purposes.

**Payment Forms**

Normal Form

Joint and 40% Contingent Survivor

Optional Forms

Option 1 – Cash refund annuity based on Present Value at retirement

Option 2 – Joint and 100% Contingent Annuity

Option 3 – Joint and 50% Contingent Annuity

Option 4 – Joint and Contingent Annuity approved by the Board

Option 5 – Determined by Board due to incapacity of member

Option 6 – Withdrawal of member contributions with interest and benefit that is ½ of normal level.

**Changes since prior valuation**

None

**Cost Method**

Present Value of Future Benefits

**Asset Valuation Method**

Market Value, plus present value of future minimum City contributions

**Interest Rates**

7.00% net of investment expenses

Support for the discount rate assumption has been provided in the experience study report dated March 2024.

**Annual Pay Increases**

3.25% inflation plus promotions and salary merit scale below

<u>Service</u>	<u>Police</u>	<u>Fire</u>
0-6	6.00%	5.25%
7	3.75%	4.75%
8-9	5.25%	4.75%
10-14	3.50%	1.00%
15-16	3.50%	2.50%
17-21	3.25%	1.75%
22+	2.75%	1.00%

There is no additional increase at retirement.

The annual pay increases are based on a study of actual experience for the plan during 2017-2023. See the experience study report dated March 2024.

**Expense**

None assumed, administrative expenses are paid from Membership and Benefits Account, not the COLA Account.

**Compensated Absence Balance Transfers**

No liabilities or costs are included for the provision to transfer compensated absence balances into FIPO to purchase additional creditable service, based on our understanding that assets will be transferred immediately prior to retirement to cover 100% of the liability for the additional service.

**Marital Status and Ages**

100% of Members are assumed to be married. Female spouses assumed to be three years younger than male spouses.

**Mortality Rates**

Pre-Retirement:	Pub-2010 Generational using scale MP-2018; Females, Headcount Weighted Safety Employee Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year.
Post-Retirement:	Pub-2010 Generational using scale MP-2018; Females, Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year; Males, Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Disabled:	Pub-2010; Females, 80% Headcount Weighted General Disabled Retiree Female Table / 20% Headcount Weighted Safety Disabled Retiree Female Table; Males, 80% Headcount Weighted General Disabled Retiree Male Table / 20% Headcount Weighted Safety Disabled Retiree Male Table.

The mortality rate assumptions were set in accordance with the Florida Retirement System Valuation report dated December 2019. The board adopted the new mortality tables for the October 1, 2019 valuation.

**Retirement Rates**

The following decrements apply, based on service.

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
<20	10	0
20	20	10
21-24	33	7.5
25	50	20
26-29	40	25
30-34	100	25
35+	100	100

The assumed retirement rates are based on a study of actual experience for the plan during 2018-2023. See the experience study report dated March 2024.

**Withdrawal of Employee Contributions**

It is assumed that employees do not withdraw their contribution balances upon employment termination or retirement.

**Disability Rates**

100% of the disabilities are expected to be accidental with the following probabilities. No recovery is assumed.

<u>Age</u>	<u>Rates</u>
35	0.07125%
40	0.09750%
45	0.20000%
50	0.30250%

The disability rates are based on a study of actual experience for the plan during 2017-2023. See the experience study report dated March 2024.

**Withdrawal Rates**

Based on Years of Creditable Service using the rates below

<u>Years of Service</u>	<u>Police %</u>	<u>Fire %</u>
0	12.00	7.50
1	4.00	4.00
2-6	1.50	1.75
7-19	0.75	1.00
20+	0.00	0.00

The withdrawal rates are based on a study of actual experience for the plan during 2017-2023. See the experience study report dated March 2024.

**Changes since prior valuation**

Annual pay increase and retirement rate assumptions have been updated to better reflect anticipated plan experience.

The actuarial report also shows the necessary items required for plan reporting and the any state requirements.

- ✓ Florida State Requirements
  - Comparative Summary of Principal Valuation Results
  - Separation for Police & Fire
  - Comparison of payroll growth, salary increases and investment returns
  - Requirements under Florida Statute 112.664 and F.A.C. 60T-1.0035
- ✓ Historical COLA GASB 5 Disclosures
- ✓ Low-Default-Risk Obligation Measure (LDROM)

**Information to Comply with Florida 60T-1.003(4)(i)**

**Comparative Summary Of Principal Valuation Results**

	10/1/2024 7.00% (Plan & Assumption Changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
<b>Participant Data</b>			
Active members	1,879	1,879	1,855
Total annual payroll	\$206,704,372	\$207,537,000	\$189,308,460
Members in DROP	214	214	256
Total annualized benefit	\$398,376	\$398,376	\$492,259
Retired members and beneficiaries	1,947	1,947	1,915
Total annualized benefit	\$30,440,505	\$30,440,504	\$29,628,510
Disabled members receiving benefits	99	99	102
Total annualized benefit	\$2,583,836	\$2,583,836	\$2,682,714
Terminated vested members	15	15	14
Total annualized benefit	\$4,144	\$4,143	\$3,715
<b>Assets</b>			
Actuarial value of assets	\$609,077,337	\$609,077,337	\$552,951,225
Market value of assets	\$480,827,379	\$480,827,379	\$429,633,960

**Information to Comply with Florida 60T-1.003(4)(i)**

**Comparative Summary Of Principal Valuation Results  
(continued)**

	10/1/2024 7.00% (Plan & Assumption Changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
<b>Liabilities, present value of all future expected benefit payments</b>			
Active members			
Retirement benefits	\$69,821,117	\$68,104,043	\$64,244,177
Vesting benefits	1,855,940	1,855,940	1,834,463
Disability benefits	1,405,304	1,491,227	1,486,346
Death benefits	347,378	402,012	390,629
Return of contribution	0	0	0
Reserve for future actives	11,014,461	10,777,983	10,193,342
Total	<u>\$84,444,200</u>	<u>\$82,631,205</u>	<u>\$78,148,957</u>
Terminated vested members	\$201,994	\$201,994	\$181,174
Retired members and beneficiaries	\$377,291,047	\$377,291,047	\$375,644,404
Disabled members	\$22,289,137	\$22,289,137	\$23,050,502
Total	\$484,226,378	\$482,413,383	\$477,025,037
Liabilities due and unpaid	\$0	\$0	\$0
Actuarial accrued liability	N/A	N/A	N/A
Unfunded actuarial accrued liability	N/A	N/A	N/A

**Information to Comply with Florida 60T-1.003(4)(i)**

**Comparative Summary Of Principal Valuation Results  
(continued)**

	10/1/2024 7.00% (Plan & Assumption Changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
<b>Actuarial present value of accrued benefits</b>			
Statement of actuarial present value of all accrued benefits			
Vested accrued benefits			
Inactive members and beneficiaries	\$399,782,178	\$399,782,178	\$398,876,080
Active members	37,318,222	36,225,216	32,439,890
Total value of all vested accrued benefits	<u>\$437,100,400</u>	<u>\$436,007,394</u>	<u>\$431,315,970</u>
Non-vested accrued benefits	1,656,034	802,462	763,582
Total actuarial present value of all accrued benefits	<u>\$438,756,434</u>	<u>\$436,809,856</u>	<u>\$432,079,552</u>
Statement of changes in total actuarial present value of all accrued benefits (ASC 960)			
Actuarial present value of accrued benefits, beginning of year	\$432,079,552	\$432,079,552	\$430,223,167
Increase (decrease) during year			
Benefits accumulated	\$6,570,024	\$6,570,024	\$3,330,012
Plan amendment	0	0	0
Changes in actuarial assumptions	1,946,578	0	0
Interest	29,178,299	29,178,299	29,064,852
Benefits paid	(31,018,019)	(31,018,019)	(30,538,479)
Other changes	0	0	0
Net increase (decrease)	<u>\$6,676,882</u>	<u>\$4,730,304</u>	<u>\$1,856,385</u>
Actuarial present value of accrued benefits, end of year	<u>\$438,756,434</u>	<u>\$436,809,856</u>	<u>\$432,079,552</u>

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results  
(continued)

	10/1/2024 7.00% (Plan & Assumption Changes)	10/1/2024 7.00% (prior methods & assumptions)	10/1/2023 7.00%
<b>Pension cost</b>			
Normal Cost	N/A	N/A	N/A
Member contributions	\$0	\$0	\$0
Expected plan sponsor contribution	\$8,432,834	\$8,432,834	\$8,108,494
As % of payroll	4.07%	4.05%	4.28%
Member Contributions as % of payroll	0.00%	0.00%	0.00%
<b>Past contributions</b>	10/1/2024	10/1/2024	10/1/2023
Required plan sponsor contribution	\$8,108,494	\$8,108,494	\$7,796,629
Required member contribution	\$0	\$0	\$0
Actual contributions made by:			
Plan's sponsor	\$8,108,494	\$8,108,494	\$7,796,629
Members	\$0	\$0	\$0
Other	\$0	\$0	\$0
<b>Net actuarial gain (loss) (if applicable)</b>	N/A	N/A	N/A
<b>Other disclosures (where applicable)</b>			
Present value of active member			
Future salaries at entry age	\$2,178,558,610	\$2,364,281,042	\$2,255,159,238
Future contributions at entry age	\$0	\$0	\$0

## Information to Comply with Florida 60T-1.003(4)(i)

## Hypothetical City Contribution Requirement for 2023/2024 Fiscal Year

	Police	Fire	Total
Unfunded actuarial accrued liability	N/A	N/A	N/A
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$40,130,161	\$29,690,956	\$69,821,117
Vesting benefits	1,238,746	617,194	1,855,940
Disability benefits	826,628	578,676	1,405,304
Death benefits	127,871	219,507	347,378
Return of contribution	0	0	0
Reserve for future actives	6,348,511	4,665,950	11,014,461
Total	\$48,671,917	\$35,772,283	\$84,444,200
Terminated vested members	\$100,245	101,749	\$201,994
Retired members and beneficiaries	\$232,545,276	144,745,771	\$377,291,047
Disabled members	\$20,187,818	2,101,319	\$22,289,137
Total	\$301,505,256	\$182,721,122	\$484,226,378
Entry age reserve			
Active	\$23,263,937	\$20,261,039	\$43,524,976
Inactive	252,833,339	146,948,839	399,782,178
Total	\$276,097,276	\$167,209,878	\$443,307,154
Actuarial asset value <sup>1</sup>	\$379,341,033	\$229,736,304	\$609,077,337

<sup>1</sup>Allocated based on Entry Age Reserve

**Information to Comply with Florida 60T-1.003(4)(i)**

**Hypothetical City Contribution Requirement for 2023/2024 Fiscal Year (continued)**

	Police	Fire	Total
Normal cost			
Total present value of future benefits	\$301,505,256	\$182,721,122	\$484,226,378
Present value of future member contributions	\$0	\$0	\$0
Actuarial asset value	(\$379,341,033)	(\$229,736,304)	(\$609,077,337)
Unfunded actuarial accrued liability	\$0	\$0	\$0
Present value of future normal costs	\$0	\$0	\$0
Present value of future payrolls	\$1,286,523,942	\$892,034,668	\$2,178,558,610
Administrative expense <sup>1</sup>	\$0	\$0	\$0
Current payroll	\$119,587,597	\$87,116,775	\$206,704,372
Interest rate	7.00%	7.00%	7.00%
Current normal cost at end of year	\$0	\$0	\$0
As a percentage of payroll	0.00%	0.00%	0.00%
Hypothetical Total			\$0

<sup>1</sup> COLA Fund is not directly allocated a portion of the administrative expense.

Information to Comply with Florida 60T-1.003(4)(i)

October 1, 2023

Historical Salary Increases and Asset Performance

Year Ending	Payroll Growth	Salary Growth	Expected Salary Growth	Asset Return (Market)	Asset Return (Actuarial)	Asset Return (Expected)
9/30/2024	9.33%	11.87%	7.66%	17.70%	7.11%	7.00%
9/30/2023	0.76%	6.63%	7.69%	10.21%	4.54%	7.00%
9/30/2022	6.29%	8.84%	7.71%	(12.20%)	5.15%	7.00%
9/30/2021	1.20%	5.00%	7.72%	19.27%	8.59%	7.00%
9/30/2020	5.15%	11.24%	8.05%	5.65%	6.25%	7.34%
9/30/2019	0.83%	8.21%	7.74%	6.11%	6.48%	7.34%
9/30/2018	5.27%	7.39%	7.85%	6.90%	6.66%	7.34%
9/30/2017	6.32%	7.02%	7.85%	8.24%	6.76%	7.42%
9/30/2016	25.22%	10.46%	7.85%	8.42%	6.51%	7.42%
9/30/2015	13.42%	12.60%	7.79%	2.80%	6.18%	7.42%
Averages						
3-year				4.43%	5.59%	
5-year				7.49%	6.32%	
10-year	7.29%			6.98%	6.42%	

Information to Comply with Florida 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

	October 1, 2024			
	Valuation	- 200 bp <sup>1</sup>	Funding Rate <sup>1</sup>	+ 200 bp <sup>1</sup>
	7.00%	5.00%	7.00%	9.00%
Total pension liability				
Service Cost	\$2,762,803	\$2,762,803	\$2,762,803	\$2,762,803
Interest	29,649,973	29,649,973	29,649,973	29,649,973
Benefit changes	0	0	0	0
Difference between expected and actual experience	3,177,240	3,177,240	3,177,240	3,177,240
Changes in assumptions	2,417,911	125,056,863	2,417,911	(80,134,387)
Benefit payments	(31,018,019)	(31,018,019)	(31,018,019)	(31,018,019)
Contribution refunds	0	0	0	0
Net change in pension liability	\$6,989,908	\$129,628,860	\$6,989,908	(\$75,562,390)
Total pension liability, beginning of year	\$436,317,246	\$436,317,246	\$436,317,246	\$436,317,246
Total pension liability, end of year	\$443,307,154	\$565,946,106	\$443,307,154	\$360,754,856
Plan fiduciary net position				
Contributions - Employer	\$8,108,494	\$8,108,494	\$8,108,494	\$8,108,494
Contributions - State	\$0	\$0	\$0	\$0
Contributions - Member	\$0	\$0	\$0	\$0
Net investment income	74,120,006	74,120,006	74,120,006	74,120,006
Benefit payments	(31,018,019)	(31,018,019)	(31,018,019)	(31,018,019)
Contribution refunds	0	0	0	0
Administrative expense	0	0	0	0
Change in asset allocation method	0	0	0	0
Other	(17,062)	(17,062)	(17,062)	(17,062)
Net change in plan fiduciary net position	\$51,193,419	\$51,193,419	\$51,193,419	\$51,193,419
Plan fiduciary net position, beginning of year	\$429,633,960	\$429,633,960	\$429,633,960	\$429,633,960
Plan fiduciary net position, end of year	\$480,827,379	\$480,827,379	\$480,827,379	\$480,827,379
Net pension liability/(asset)	(\$37,520,225)	\$85,118,727	(\$37,520,225)	(\$120,072,523)
Funded ratio	108.46%	84.96%	108.46%	133.28%
Years that Assets support expected benefit payments	100	25	100	100
Estimated city contribution				
Annual dollar value	\$8,432,834	\$8,432,834	\$8,432,834	\$8,432,834
Percentage of payroll	4.07%	4.07%	4.07%	4.07%

<sup>1</sup>Based on valuation assumption with the following changes

-Interest Rate (as noted)

Information to Comply with Florida 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

October 1, 2024

## Sustainment of Expected Benefit Payments

Mortality Valuation Mortality  
Interest 7.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>	<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$480,827,379	\$32,554,680	\$32,063,320	30	\$449,099,539	\$30,290,535	\$33,318,729
2	481,318,739	32,579,881	32,330,536	31	446,071,345	30,072,290	33,500,997
3	481,568,084	32,590,761	32,521,614	32	442,642,638	29,826,342	33,673,611
4	481,637,231	32,588,832	32,718,350	33	438,795,369	29,551,695	33,828,728
5	481,507,713	32,573,461	32,901,576	34	434,518,336	29,247,570	33,966,292
6	481,179,598	32,544,546	33,074,421	35	429,799,614	28,913,804	34,066,701
7	480,649,723	32,503,950	33,176,261	36	424,646,717	28,550,672	34,137,317
8	479,977,412	32,453,086	33,286,767	37	419,060,072	28,158,317	34,174,789
9	479,143,731	32,391,718	33,374,264	38	413,043,600	27,737,251	34,172,258
10	478,161,185	32,321,469	33,417,006	39	406,608,593	27,288,397	34,125,866
11	477,065,648	32,243,876	33,443,336	40	399,771,124	26,813,130	34,028,335
12	475,866,188	32,160,314	33,431,697	41	392,555,919	26,313,368	33,874,251
13	474,594,805	32,072,383	33,400,730	42	384,995,036	25,791,596	33,656,575
14	473,266,458	31,980,856	33,358,351	43	377,130,057	25,250,816	33,372,656
15	471,888,963	31,886,845	33,288,217	44	369,008,217	24,694,533	33,016,759
16	470,487,591	31,792,331	33,184,114	45	360,685,991	24,126,870	32,583,922
17	469,095,808	31,699,299	33,056,441	46	352,228,939	23,552,501	32,071,718
18	467,738,666	31,609,072	32,917,732	47	343,709,722	22,976,584	31,477,998
19	466,430,006	31,522,861	32,760,931	48	335,208,308	22,404,788	30,800,750
20	465,191,936	31,441,309	32,612,328	49	326,812,346	21,843,298	30,038,494
21	464,020,917	31,363,267	32,498,127	50	318,617,150	21,298,801	29,190,849
22	462,886,057	31,286,279	32,426,877	51	310,725,102	20,778,402	28,259,542
23	461,745,459	31,207,318	32,401,256	52	303,243,962	20,289,553	27,247,232
24	460,551,521	31,122,729	32,430,712	53	296,286,283	19,839,924	26,160,055
25	459,243,538	31,028,244	32,515,769	54	289,966,152	19,437,229	25,005,816
26	457,756,013	30,919,880	32,638,901	55	284,397,565	19,089,227	23,791,037
27	456,036,992	30,794,578	32,783,352	56	279,695,755	18,803,694	22,524,070
28	454,048,218	30,649,706	32,947,804	57	275,975,379	18,588,332	21,214,360
29	451,750,120	30,482,465	33,133,046	58	273,349,351	18,450,726	19,871,195

Information to Comply with Florida 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

October 1, 2024

## Sustainment of Expected Benefit Payments

Mortality Florida Retirement System Generational Mortality  
Interest 5.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$480,827,379	\$23,249,563	\$32,063,320
2	472,013,622	22,802,276	32,330,536
3	462,485,362	22,321,144	32,521,614
4	452,284,892	21,806,262	32,718,350
5	441,372,804	21,256,155	32,900,697
6	429,728,262	20,669,665	33,073,297
7	417,324,630	20,046,909	33,177,584
8	404,193,955	19,387,561	33,291,535
9	390,289,981	18,689,826	33,394,243
10	375,585,564	17,952,850	33,465,304
11	360,073,110	17,175,628	33,530,065
12	343,718,673	16,357,003	33,566,643
13	326,509,033	15,496,081	33,584,463
14	308,420,651	14,591,630	33,585,735
15	289,426,546	13,642,641	33,556,724
16	269,512,463	12,648,651	33,487,338
17	248,673,776	11,609,143	33,389,061
18	226,893,858	10,522,955	33,275,367
19	204,141,446	9,388,277	33,156,226
20	180,373,497	8,202,357	33,055,901
21	155,519,953	6,961,174	32,995,401
22	129,485,726	5,659,967	32,974,957
23	102,170,736	4,293,902	32,987,725
24	73,476,913	2,857,928	33,039,708
25	43,295,133	1,346,748	33,124,364
26	11,517,517		33,225,568

Information to Comply with Florida 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

October 1, 2024

## Sustainment of Expected Benefit Payments

Mortality Florida Retirement System Generational Mortality  
Interest 7.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>	<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$480,827,379	\$32,554,680	\$32,063,320	30	\$435,368,702	\$29,316,273	\$33,699,570
2	481,318,739	32,579,881	32,330,536	31	430,985,405	29,005,470	33,815,024
3	481,568,084	32,590,761	32,521,614	32	426,175,851	28,665,355	33,915,162
4	481,637,231	32,588,832	32,718,350	33	420,926,044	28,295,102	33,995,575
5	481,507,713	32,573,491	32,900,697	34	415,225,571	27,893,980	34,056,293
6	481,180,507	32,544,648	33,073,297	35	409,063,258	27,461,661	34,084,106
7	480,651,858	32,504,054	33,177,584	36	402,440,813	26,998,123	34,083,147
8	479,978,328	32,452,986	33,291,535	37	395,355,789	26,503,250	34,051,787
9	479,139,779	32,390,754	33,394,243	38	387,807,252	25,977,202	33,983,508
10	478,136,290	32,318,065	33,465,304	39	379,800,946	25,420,467	33,875,773
11	476,989,051	32,235,530	33,530,065	40	371,345,640	24,833,912	33,721,270
12	475,694,516	32,143,654	33,566,643	41	362,458,282	24,218,884	33,515,297
13	474,271,527	32,043,431	33,584,463	42	353,161,869	23,577,245	33,250,538
14	472,730,495	31,935,515	33,585,735	43	343,488,576	22,911,327	32,924,655
15	471,080,275	31,820,998	33,556,724	44	333,475,248	22,223,913	32,531,761
16	469,344,549	31,701,885	33,487,338	45	323,167,400	21,518,348	32,067,214
17	467,559,096	31,580,284	33,389,061	46	312,618,534	20,798,457	31,528,687
18	465,750,319	31,457,582	33,275,367	47	301,888,304	20,068,488	30,914,083
19	463,932,534	31,334,437	33,156,226	48	291,042,709	19,333,131	30,221,384
20	462,110,745	31,210,363	33,055,901	49	280,154,456	18,597,527	29,449,058
21	460,265,207	31,083,257	32,995,401	50	269,302,925	17,867,251	28,596,609
22	458,353,063	30,950,111	32,974,957	51	258,573,567	17,148,231	27,665,583
23	456,328,217	30,807,932	32,987,725	52	248,056,215	16,446,671	26,658,409
24	454,148,424	30,653,558	33,039,708	53	237,844,477	15,768,924	25,580,932
25	451,762,274	30,483,615	33,124,364	54	228,032,469	15,121,319	24,440,620
26	449,121,525	30,295,280	33,225,568	55	218,713,168	14,510,154	23,243,619
27	446,191,237	30,086,388	33,335,194	56	209,979,703	13,941,693	21,997,377
28	442,942,431	29,854,972	33,451,428	57	201,924,019	13,422,059	20,710,911
29	439,345,975	29,598,927	33,576,200	58	194,635,167	12,957,183	19,393,106

Information to Comply with Florida 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

October 1, 2024

## Sustainment of Expected Benefit Payments

Mortality Florida Retirement System Generational Mortality  
Interest 9.00%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>	<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$480,827,379	\$41,862,695	\$32,063,320	30	\$1,575,834,734	\$140,341,312	\$33,699,570
2	490,626,754	42,732,873	32,330,536	31	1,682,476,476	149,933,985	33,815,024
3	501,029,091	43,660,670	32,521,614	32	1,798,595,437	160,380,283	33,915,162
4	512,168,147	44,654,523	32,718,350	33	1,925,060,558	171,758,603	33,995,575
5	524,104,320	45,720,750	32,900,697	34	2,062,823,586	184,154,602	34,056,293
6	536,924,373	46,866,955	33,073,297	35	2,212,921,895	197,662,225	34,084,106
7	550,718,031	48,103,792	33,177,584	36	2,376,500,014	212,384,298	34,083,147
8	565,644,239	49,442,134	33,291,535	37	2,554,801,165	228,432,783	34,051,787
9	581,794,838	50,891,165	33,394,243	38	2,749,182,161	245,930,079	33,983,508
10	599,291,760	52,462,759	33,465,304	39	2,961,128,732	265,010,014	33,875,773
11	618,289,215	54,169,679	33,530,065	40	3,192,262,973	285,818,898	33,721,270
12	638,928,829	56,025,633	33,566,643	41	3,444,360,601	308,516,754	33,515,297
13	661,387,819	58,046,158	33,584,463	42	3,719,362,058	333,278,542	33,250,538
14	685,849,514	60,247,654	33,585,735	43	4,019,390,062	360,295,412	32,924,655
15	712,511,433	62,648,505	33,556,724	44	4,346,760,819	389,776,079	32,531,761
16	741,603,214	65,269,820	33,487,338	45	4,704,005,137	421,948,522	32,067,214
17	773,385,696	68,134,571	33,389,061	46	5,093,886,445	457,061,551	31,528,687
18	808,131,206	71,266,672	33,275,367	47	5,519,419,309	495,386,571	30,914,083
19	846,122,511	74,691,136	33,156,226	48	5,983,891,797	537,219,595	30,221,384
20	887,657,421	78,433,695	33,055,901	49	6,490,890,008	582,883,440	29,449,058
21	933,035,215	82,520,360	32,995,401	50	7,044,324,390	632,730,068	28,596,609
22	982,560,174	86,978,507	32,974,957	51	7,648,457,849	687,143,073	27,665,583
23	1,036,563,724	91,838,264	32,987,725	52	8,307,935,339	746,540,393	26,658,409
24	1,095,414,263	97,132,524	33,039,708	53	9,027,817,323	811,377,214	25,580,932
25	1,159,507,079	102,897,150	33,124,364	54	9,813,613,605	882,149,088	24,440,620
26	1,229,279,865	109,172,244	33,225,568	55	10,671,322,073	959,395,555	23,243,619
27	1,305,226,541	116,002,618	33,335,194	56	11,607,474,009	1,043,704,102	21,997,377
28	1,387,893,965	123,437,569	33,451,428	57	12,629,180,734	1,135,714,351	20,710,911
29	1,477,880,106	131,530,828	33,576,200	58	13,744,184,174	1,236,122,685	19,393,106

**Historical GASB 5 Disclosures – COLA Fund**

<b>Funding Status and Progress as of September 30, 2023 and 2024</b>	2023	2024
1. COLA Fund Table	\$1,852	\$1,852
Proposed COLA Fund Table	\$1,852	\$1,864
2. Pension benefit obligation (in millions)		
a. Retirees and beneficiaries receiving benefits and terminated members not yet receiving	\$398.9	\$399.8
b. Current Employees		
Accumulated employee contributions including interest	0	0
Employer-financed vested	0	0
Employer-financed nonvested	\$78.1	\$84.4
c. Total pension benefit obligation (a+b+c)	\$477.0	\$484.2
3. Net assets available for benefits	\$429.6	\$480.8
4. Unfunded pension benefit (obligation)/asset [(3)-(2)]	(\$47.4)	(\$3.4)

The pension benefit obligations were determined as part of actuarial valuations at January 1, 2024 and January 1, 2025, based on data and asset information at September 30, 2023 and September 30, 2024. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.00% per year compounded annually, (b) post-retirement COLA benefits based on the table in effect at January 1, 2024 and January 1, 2025. All plan provisions and other assumptions not listed above can be found in the January 1, 2025 COLA Fund Report.

**Historical GASB 5 Disclosures – COLA Fund****Contributions required and contributions made**

The funding policy provides for annual employer contributions from January 1, 1994. The amount of the contribution was \$2.5 million, beginning January 1, 1994, increasing 4% per year each year thereafter, and reduced (but not below zero) by any excess investment income transfer due on the same date.

The excess investment income transfer consists of a portion of gains due to investment return exceeding the assumption in effect for the year.

**Analysis of funding progress**

Fiscal Year	(1) Net Assets Available for Benefits <sup>(1)</sup>	(2) Pension Benefit Obligation <sup>(2)</sup>	(3) Percent Funded	(4) Unfunded PBO (2)-(1)	(5) Annual Covered Payroll	(4)/(5)
	(\$)	(\$)	(%)	(\$)	(\$)	(%)
2015	381.4	393.5	97	12.1	106.3	11
2016	392.9	420.5	93	27.6	133.1	21
2017	420.3	427.2	98	6.9	141.5	5
2018	426.2	440.2	97	14.0	148.9	9
2019	412.1	447.2	92	35.1	168.1	21
2020	416.0	419.0	99	3.0	176.7	2
2021	477.3	425.7	112	(51.6)	178.5	(29)
2022	396.3	476.3	83	80.0	188.4	42
2023	429.6	477.0	90	47.4	189.1	25
2024	480.8	484.2	99	3.4	206.7	2

<sup>(1)</sup> Excluding future City minimum contributions

<sup>(2)</sup> Excluding new increment and contingency reserves

## Historical GASB 5 Disclosures – COLA Fund

## Revenues and Expenses

Fiscal Year	Revenues by Source			Total (\$)
	Employee Contributions (\$)	Employer Contributions (\$)	Investment Income (\$)	
	2015	0	5,696,920	
2016	0	5,924,797	13,261,430	19,186,227
2017	0	6,161,789	26,980,778	33,142,567
2018	0	6,408,261	19,212,430	25,620,691
2019	0	6,664,591	16,086,759	22,751,350
2020	0	6,931,175	55,298,341	62,229,516
2021	0	7,208,422	32,408,512	39,616,934
2022	0	7,496,759	11,832,499	19,329,258
2023	0	7,796,629	31,422,557	39,219,186
2024	0	8,108,494	26,013,722	34,122,216

## Expenses by Type

Fiscal Year	Expenses by Type			Total (\$)
	Benefits (\$)	Administrative Expenses (\$)	Refunds (\$)	
2015	23,563,734	1,190,614	0	24,754,348
2016	24,344,325	1,286,086	0	25,630,411
2017	24,882,453	1,202,695	0	26,085,148
2018	25,279,985	1,758,350	0	27,038,335
2019	25,622,524	1,477,166	0	27,099,690
2020	26,230,313	1,771,916	0	28,002,229
2021	26,463,258	1,179,391	0	27,642,649
2022	29,232,051	1,170,230	0	30,402,281
2023	30,538,479	926,603	0	31,465,082
2024	31,018,019	977,534	0	31,995,553

**Low-Default-Risk Obligation Measure (LDROM)**

For reports issued after February 15, 2023 the Plan's actuary is generally required to disclose liabilities under an alternative low-default-risk based discount rate. This LDROM liability measure represents the estimated asset value as of the measurement date the Plan would need in order to purchase a low-default-risk fixed income securities portfolio with durations that are reasonably consistent with the timing of benefits expected to be paid from the plan.

**October 1, 2024**

LDROM liability	(\$560,388,293)
Market value of assets	<u>\$480,827,379</u>
LDROM funded status	(\$79,560,914)

The LDROM liability and funded status is for informational purposes only. The plan sponsor has no requirements to contribute to the Plan to meet this threshold, and the funded status on this basis is not reported to any government agency or used for any restrictions.

If Plan assets are invested to earn in excess of a fixed income portfolio, a shortfall on this basis may not necessarily mean the security of participant benefits is at risk. If the plan is fully funded, or nearly fully funded, on the LDROM measure, the plan sponsor may want to consider reducing investment risk in order to offer greater benefit security and lower contribution volatility. We did not perform an analysis of assumption or provision changes resulting from a potential shift in investment policy due to the limited scope of our engagement.

The above LDROM liability measure applies a single effective discount rate of 5.06%. This is the single effective discount rate that would produce approximately the same discounted cashflows as the FTSE Above Median AA Curve as of September 30, 2024. All other data, assumptions, methods and provisions are the same as those detailed in this report.

While intended to be a market consistent measure, the above funded status is not appropriate for assessing the plan's sufficiency to settle plan obligations.

Per ASOP No. 4, we reviewed the plan's funding method, contribution policy, and the computation of the recommended contribution. We believe all to be reasonable as plan costs are expected to be fully funded over a reasonable timeframe.