ORDINANCE NO.2015-03

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AMENDING CHAPTER 70 ENTITLED "RETIREMENT AND PENSION", ARTICLE IV. EMPLOYEES GENERAL RETIREMENT SYSTEM, DIVISION 1. GENERALLY OF THE CODE OF ORDINANCES AND IN PARTICULAR, REVISING HIALEAH CODE § 70-204 ENTITLED "TERMINATION OF MEMBERSHIP; EFFECT OF REEMPLOYMENT" TO ALLOW FOR RETROACTIVE APPLICATION OF THE RIGHT TO RESTORATION OF CREDITED SERVICE UPON REEMPLOYMENT WITHIN TEN YEARS FROM THE DATE OF SEVERANCE TO ANY MEMBER REEMPLOYED ON OR AFTER JANUARY 1, 2012; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR PENALTIES; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Hialeah, Ordinance 2014-29 (May 30, 2014) amended Chapter 70 to implement changes to the retirement system bargained through collective bargaining;

WHEREAS, the amendment to Section 70-204 increasing the period of time within which an employee shall be credited the number of years of service upon reemployment, as set forth in Ordinance 2014-29, did not properly reflect the intent of the City of Hialeah to allow retroactive application to current employees meeting the criteria prior to the adoption of Ordinance 2014-29;

WHEREAS, this Amendment intends to allow for retroactive application of this benefit to January 1, 2012;

WHEREAS, this Amendment will not negatively impact the City of Hialeah pension plan financially; and

WHEREAS, the proposed Amendment was reported to the Board of Trustees of the Employees General Retirement System at a meeting on Tuesday, October 21, 2014.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: Chapter 70 entitled "Retirement and Pensions", Article IV. Employees General Retirement System, Division 4, Membership, of the Code of Ordinances of the City of Hialeah, Florida is hereby amended, by revising Hialeah Code § 70-204 entitled "Termination of membership; effect of reemployment", to read as follows:

Chapter 70

RETIREMENT AND PENSIONS

* * *

ARTICLE IV. EMPLOYEES GENERAL RETIREMENT SYSTEM

DIVISION 4. MEMBERSHIP

* * *

Sec. 70-204. Termination of membership; effect of reemployment.

(a) Except as otherwise provided in this article, if a member separates from the services of the city, except to become a retirant or for death, the member shall forfeit the member's credited service at the time of separation; and the member shall thereupon cease to be member. However, if such person is reemployed by the city within a period of four years from and after the date of the member's last separation from service, the credited service forfeited by the member at the time of the member's last separation from service shall be restored to the member's credit. Notwithstanding the preceding sentence, effective on the effective date of this Ordinance, if a member who is not a police officer member or firefighter member is reemployed by the city within a period of ten years from and after the date of the member's last separation from service, the credited service forfeited by the member at the time of the member's last separation from service shall be restored to the member's credit upon such conditions as the board of trustees may require, such as restoration of the member's annuity account with interest, if the member withdrew his/her annuity account at the time of separation. This section shall apply in all cases of separation from the employment of the city, except as provided in section 70-205, <u>and shall apply to any member, who is not a police officer member or firefighter member, and who otherwise meets the criteria set forth in this section, who has been reemployed by the city on or after January 1, 2012.</u>

Section 2: **Repeal of Ordinances in Conflict.**

All ordinance or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 3: **Penalties.**

Every person violating any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be assessed a civil penalty not to exceed $500.00 within the discretion of the court or administrative tribunal having jurisdiction. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. In addition to the penalty prescribed above, the city may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits

Section 4: **Inclusion in Code.**

The provisions of this ordinance shall be included and incorporated in the Code of Ordinances of the City of Hialeah, as an addition or amendment thereto, and the sections of this ordinance shall be renumbered, as appropriate, to conform to the uniform numbering system of the Code.

Section 5: **Severability Clause.**

If any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining phrases, clauses, sentences, paragraphs or section of this ordinance.

Section 6: **Effective Date.**

This ordinance shall become effective when passed by the City Council and signed by the Mayor or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto. Notwithstanding the effective date, the ordinance shall be applied retroactively in the manner set forth herein.

PASSED AND ADOPTED this 24 day of February, 2015.

Isis Garcia-Martinez
Council President

Attest:

Approved on this 04 day of March, 2015.

for-

Marbelys Fatjo, City Clerk

Mayor Carlos Hernandez

Approved as to form and legal sufficiency:

Lorena E. Bravo, City Attorney

Ordinance was adopted by a (7-0) unanimous vote with Councilmembers, Caragol, Casáls-Muñoz, Cue-Fuente, Garcia-Martinez, Gonzalez, Hernandez and Lozano voting "Yes".

~~Strikethrough~~ indicates deletion. Underline indicates addition.

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FOSTER & FOSTER

November 24, 2014

VIA EMAIL & MAIL

Board of Trustees
City of Hialeah Employees' Retirement System
501 Palm Ave.
Hialeah, FL 33010

Re: City of Hialeah Employees' Retirement System

Dear Board:

Enclosed is the following material, which has been prepared in support of the proposed amendment to the System:

1. Three (3) copies of the required Actuarial Impact Statement, which outline the costs associated with implementing the change.

2. Draft of transmittal letters to the Bureau of Local Retirement Systems and the Bureau of Police Officers and Firefighters Retirement Trust Funds.

It will be necessary for the Chairman to sign one (1) copy of each Actuarial Impact Statement as the Plan Administrator and forward the Impact Statements, along with a copy of the proposed Ordinance, to the two Bureaus prior to adoption.

If you have any questions concerning the enclosed material, please let us know.

Sincerely,

Bradley R. Heinrichs, EA, FSA, MAAA

BRH/lke

Enclosures

13420 Parker Commons Blvd., Suite 104 Fort Myers, FL 33912 · (239) 433-5500 · Fax (239) 481-0634 · www.foster-foster.com

Ms. Sarah Carr
Police Officers' and Firefighters' Retirement Trust Funds
Department of Management Services, Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

Re: Actuarial Impact Statement

Dear Ms. Carr:

The City of Hialeah is considering implementing amended benefits for its Employees. The changes are described in the enclosed material.

Pursuant to the provisions of Chapters 175 & 185, we are enclosing the required Actuarial Impact Statement and a copy of the proposed Ordinance for your review.

If you have any questions or if additional information is needed, please contact us.

Sincerely,

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
Post Office Box 9000
Tallahassee, FL 32315-9000

Re: Actuarial Impact Statement

Dear Mr. Brinkman:

The City of Hialeah is considering implementing amended benefits for its Employees. The changes are described in the enclosed material.

Pursuant to Section 22d-1.04 of the Agency Rules, we are enclosing the required Actuarial Impact Statement (AIS) and a copy of the proposed Ordinance for your review.

If you have any questions or if additional information is needed, please contact us.

Sincerely,

CITY OF HIALEAH
EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL IMPACT STATEMENT

November 24, 2014
(Page 1)

Attached hereto is a comparison of the impact on the Total Required Contribution (per Chapter 112, Florida Statutes), and the Required City Contributions, resulting from amending the implementation of the following change to be effective for any Member reemployed on or after January 1, 2012:

1.) Provide that for a non-Police Officer or Firefighter Member who is reemployed by the City within a period of 10 years from and after the date of the Member's last separation from service, the Credited Service forfeited by the Member at the time of the Member's last separation from service shall be restored to the Member's credit upon such conditions as the Board of Trustees may require, such as restoration of the Member's annuity account with interest, if the Member withdrew his/her annuity account at the time of separation. *For the purpose of this Actuarial Impact Statement, it is assumed that this provision will only affect Vicente Rodriguez.*

The cost impact, determined as of October 1, 2013, is as follows:

	New Benefits	Old Benefits
Valuation Date	10/1/2013	10/1/2013
Applicable Plan Year End	9/30/2015	9/30/2015
Total Required Contribution	$28,344,408	$28,332,409
% of Projected Annual Payroll	46.34%	46.31%
Less Member Contributions[2]	2,229,590	2,229,590
% of Projected Annual Payroll	3.64%	3.64%
Equals Required City & State	26,114,818	26,102,819
% of Projected Annual Payroll	42.70%	42.67%
State Contribution[1]	461,877	461,877
% of Projected Annual Payroll	0.76%	0.76%
Balance from City[2]	25,652,941	25,640,942
% of Projected Annual Payroll	41.94%	41.91%

[1] Represents the amount transferred from the Share Plan each year.

[2] The Member Contributions displayed above represent the expected Member Contributions to the Pension portion of the Retirement System during fiscal 2015 based upon the varying effective dates for each group. The City will be able to deduct the actual Member Contributions made to the Pension portion of the Retirement System (excluding buy backs) during fiscal 2015 when determining their bottom line requirement.

The changes presented herein are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution. The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report and the October 1, 2013 actuarial valuation report are considered an integral part of the actuarial opinions.

Bradley R. Heinrichs, FSA, M.A.A.A.
Enrolled Actuary #14-6901

STATEMENT OF PLAN ADMINISTRATOR

The prepared information presented herein reflects the estimated cost of the proposed amendment.

Chairman, Board of Trustees

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
Total Plan

	New Benefits 10/1/2013	Old Benefits 10/1/2013
A. Participant Data		
Number Included		
Actives	1,113	1,113
Service Retirees	1,091	1,091
DROP Retirees	43	43
Beneficiaries	35	35
Terminated Vested	98	98
Disability Retirees	196	196
Total	2,576	2,576
Total Annual Payroll	$61,461,027	$61,461,027
Payroll Under Assumed Ret. Age	61,172,102	61,172,102
Annual Rate of Payments to:		
Service Retirees	40,964,013	40,964,013
DROP Retirees	3,010,947	3,010,947
Beneficiaries	850,525	850,525
Terminated Vested	1,021,012	1,021,012
Disability Retirees	5,443,558	5,443,558
B. Assets		
Actuarial Value [1]	575,386,251	575,310,893
Market Value [1]	608,537,493	608,462,135
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	228,724,594	228,574,967
Disability Benefits	13,435,804	13,429,444
Death Benefits	2,543,912	2,542,481
Vested Benefits	17,059,997	17,036,103
Refund of Contributions	76,270	76,270
Service Retirees	424,051,244	424,051,244
DROP Retirees [1]	46,624,008	46,624,008
Beneficiaries	5,855,535	5,855,535
Terminated Vested	6,233,648	6,233,648
Disability Retirees	42,470,495	42,470,495
Annuity Savings	99,658,059	99,582,701
Total	886,733,566	886,476,896

	Total Plan	
	New Benefits	Old Benefits
C. Liabilities - (Continued)	10/1/2013	10/1/2013
Present Value of Future Salaries	459,829,768	459,720,421
Normal Cost (Entry Age Normal)		
Retirement Benefits	7,153,104	7,151,808
Disability Benefits	814,080	814,108
Death Benefits	101,128	101,139
Vested Benefits	905,911	905,626
Refund of Contributions	8,556	8,556
Total Normal Cost	8,982,779	8,981,237
Present Value of Future Normal Costs	71,780,476	71,761,068
Actuarial Accrued Liability		
Retirement Benefits	171,756,346	171,622,906
Disability Benefits	7,038,533	7,032,176
Death Benefits	1,742,486	1,741,008
Vested Benefits	9,496,899	9,476,270
Refund of Contributions	25,837	25,837
Inactives [1]	525,234,930	525,234,930
Annuity Savings	99,658,059	99,582,701
Total Actuarial Accrued Liability	814,953,090	814,715,828
Unfunded Actuarial Accrued Liability	239,566,839	239,404,935
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives [1]	525,234,930	525,234,930
Actives	89,589,333	89,587,299
Member Contributions	99,658,059	99,582,701
Total	714,482,322	714,404,930
Non-vested Accrued Benefits	45,478,494	45,433,085
Total Present Value Accrued Benefits	759,960,816	759,838,015
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	122,801	
Assumption Changes	0	
New Accrued Benefits	0	
Benefits Paid	0	
Interest	0	
Other	0	
Total:	122,801	

	Total Plan	
	New Benefits	Old Benefits
Valuation Date	10/1/2013	10/1/2013
Applicable to Fiscal Year Ending	9/30/2015	9/30/2015
E. Pension Cost		
Normal Cost [2]	$9,889,866	$9,888,168
% of Total Annual Payroll	16.17	16.16
Administrative Expense [2]	-	-
% of Total Annual Payroll	0.00	0.00
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years [2] (as of 10/1/2013)	18,454,542	18,444,241
% of Total Annual Payroll	30.17	30.15
Total Required Contribution	28,344,408	28,332,409
% of Total Annual Payroll	46.34	46.31
Expected Member Contributions	2,229,590	2,229,590
% of Total Annual Payroll	3.64	3.64
Expected City & Share Contribution	26,114,818	26,102,819
% of Total Annual Payroll	42.70	42.67

[1] The asset values and liabilities for DROP Members include accumulated DROP Balances.

[2] Contributions developed as of 10/1/2013 are adjusted for 15 months of interest.

`SUMMARY OF PLAN PROVISIONS

1. **Retirement Allowance**

The Member's Retirement Allowance is equal to the sum of the following:

(1) An Annuity, which is the actuarial equivalent of his Accumulated Member Contributions;
(2) A Basic Pension, which is equal to $1,800 (for those Members who have attained their Normal Retirement Age) or $2,800 (for all other Members); and
(3) A Service Pension, which is equal to 3% of Final Average Compensation multiplied by service up to 25 years (for those Members who have at least 20 years of service and whose age plus service equals at least 70) or 2% of Final Average Compensation multiplied by service up to 30 years (for all other Members).

2. **Normal Retirement Age and Allowance**

- **Age**
  Age 50 upon attainment of 10 years of service or any age upon attainment of 20 years of service (for those Members hired prior to January 27, 1970);
  Age 55 upon attainment of 15 years of service or any age upon attainment of 20 years of service (for those Members hired after January 26, 1970 but prior to January 1, 1974); or
  Any age with age plus service equal to at least 70 and with at least 20 years of service (for all other Members)
- **Amount**
  Retirement Allowance
- **Form of Payment (applicable to the Annuity only)**
  Life annuity (normal form of payment); or
  Lump sum payment equal to Accumulated Member Contributions (optional).
- **Form of Payment (applicable to the Basic and Service Pensions only)**
  Five-year certain and life annuity for General employees, and ten-year certain and life annuity for Firefighters and Police Officers (normal form of payment);
  Normal form of payment actuarially adjusted to benefit payable during lifetime of member only (optional) (does not apply to General employees);
  Normal form of payment actuarially reduced to 50% joint and survivor annuity with the reduced benefit payable upon the death of either the Member or his beneficiary (optional); Normal form of payment actuarially reduced to 66 2/3% joint and survivor annuity (optional);
  Normal form of payment actuarially reduced to 75% joint and survivor annuity (optional) (does not apply to General employees); Normal form of payment actuarially reduced 100% joint and survivor annuity (optional);
  Normal form of payment actuarially reduced 100% joint and survivor annuity with spouse as beneficiary and with a "pop-up" feature. A "pop-up" benefit increases to the amount of the unreduced pension upon the death of the beneficiary. (optional).

3. **Early Retirement Eligibility and Allowance**
   - **Age**
     Age 55 with at least 10 years of service for General employees, and age 50 with at least 10 years of service for Firefighters and Police Officers.
   - **Amount**
     100% of the Member's Annuity. In addition, for General employees, the member's Basic and Service Pensions multiplied by his Vested Interest, payable at age 55. Firefighters and Police Officers can commence their early retirement benefit at age 50 with a 3% per year reduction from normal retirement.
   - **Form of Payment**
     Same as for Normal Retirement

4. **Disability Retirement Eligibility and Allowance**
   - **Condition**
     The Member must be totally and permanently incapacitated for duty in his classified position as an employee of the City, as determined by both the Board of Trustees and by a medical committee consisting of one doctor appointed by the Board of Trustees and one doctor selected by the Member.
   - **Amount**
     The Member's accrued Retirement Allowance and, for Firefighters and Police Officers, subject to a minimum of:
     - 25% of Average Final Compensation, for non-duty disability, after 10 years of service, and
     - 42% of Average Final Compensation, for duty related disability, with no service requirement.
   - **Form of Payment**
     Same as for Normal Retirement

5. **Deferred Retirement (Vested) Eligibility and Allowance**
   - **Age**
     Any age with at least 10 years of service.
   - **Amount**
     100% of the Member's Annuity. In addition, for General employees, the member's Basic and Service Pensions multiplied by his Vested Interest, payable at age 55. Firefighters and Police Officers can commence their vested benefit at age 50 with a 3% per year reduction from normal retirement.
   - **Form of Payment**
     Same as for Normal Retirement

6. **Pre-Retirement Death Benefit**

   In the case of the death of a General employee Member prior to retirement, his beneficiary will receive a five-year certain annuity determined as if the Member had retired on the day before his death and elected a five-year certain and life annuity. In lieu of this five-year certain annuity, the beneficiary of the General employee may elect to receive ½ of the same amount payable over a ten-year period. For Firefighters and Police Officers, the Member's vested accrued benefit deferred to early (reduced) or normal retirement and payable for a minimum of 10 years. Alternatively, if the Member had attained his Normal or Early Retirement Age and had elected an optional form of payment, then his spouse will receive benefits as dictated by the option

elected.

7. **Vested Interest**

A General employee member earns a Vested Interest in his Basic and Service Pensions in accordance with the following schedule. Firefighters and Police Officer Members earn a 100% Vested Interest with 10 years of service.

Years of Service	Vested Interest
Less than 10	0%
10	70%
11	73%
12	76%
13	79%
14	82%
15	85%
16	88%
17	91%
18	94%
19	97%
20 or more	100%

8. **Average Final Compensation**

Average compensation for the highest three years of service (not necessarily consecutive), where compensation includes base salary plus any longevity or special assignment pay and any pay received in connection with Florida's law enforcement special incentive program or Firefighters supplemental compensation program.

9. **Membership Requirements**

All classified employees of the City of Hialeah, Florida participate in the plan, including: (1) all full-time employees (except as provided by law), and (2) those part-time employees working 22½ hours or more per week who elect to participate after one year of continuous employment. Membership does not include any person whose services are compensated on a fee or contractual basis, the Board of Trustees' medical committee, elected or appointed officials who are not in classified service, and persons employed on a temporary or provisional basis for less than nine months.

Effective April 1, 2012, the Plan is closed to new general employee members hired on or after April 1, 2012. New general employees will instead participate in a defined contribution plan.

10. Accumulated Member Contributions

The Accumulated Member Contributions are the Member's Contributions accumulated with interest at the annual rates established by the Board of Trustees. Prior to the 1995/1996 plan year, interest was credited at the annual yield on the actuarial value of assets. Beginning with the 1995/1996 plan year, interest will be credited at the arithmetic average of the annual yields on the market value of assets for the preceding five years. Interest is credited each September 30 on the balance of the Accumulated Member Contributions as of the preceding October 1 as well as on additional Member Contributions made during the plan year. Members may borrow against their Accumulated Member Contributions as of the preceding October 1, subject to the restrictions set forth in the law.

11. Member Contributions

All members must contribute 7% of compensation per year.

12. Share Plans Contributions

Effective with the year beginning October 1, 2005, the Firefighters' and Police Officers' share plans will make contributions to fund the cost of the minimum benefits under Chapter 99-1, Florida Statutes.

13. Cost-of-Living Adjustment

Members (including participants in the DROP and excluding beneficiaries and those Members who are receiving a Deferred Retirement Allowance) receive an automatic level 2% cost-of-living adjustment in their Basic and Service Pensions as of each anniversary of retirement or the first of the month following their 52nd birthday and limited to 10 such increases (for a total increase of 20%).

14. Deferred Retirement Option Program

Effective March 1, 2007 for Police Officers and Firefighters and February 19, 2008 for General employees, members are eligible to participate in a Deferred Retirement Option Program (DROP) upon the completion of 25 years of membership service credit provided that the sum of the member's age and service is equal to at least 70. The member's monthly retirement benefit (basic plus service pension), based on final average earnings and service upon entering the DROP, will be paid to the member's DROP account. At the end of each fiscal year, interest will be credited to the DROP account at the same rate credited to the annuity savings account.

Member contributions cease upon entering the DROP and the member shall be ineligible for disability benefits provided by the System. Upon termination of employment or death, the DROP account balance will be paid in a cash lump sum. The maximum period of participation in the DROP is 36 months and members cannot buy service in order to be eligible for the DROP.

General employees who are members of the retirement system are prohibited from entering the DROP on or after April 2, 2012.

15. Plan Effective Date

The Plan was initially effective on January 1, 1956.

16. Actuarial Equivalence

For purposes of computing optional forms of benefit payments and for purposes of computing any adjustments called for under the terms of the Plan, when such interest rate and mortality assumptions are not otherwise provided:

Interest Rate Assumption:	The interest Rate assumption currently adopted by the Board is 7.0%.
Morality Assumption:	The mortality factors or table currently adopted by the Board is the male rates from 1971 Group Annuity Mortality Table for participants and the female rates from the 1971 Group Annuity Mortality Table for beneficiaries

17. City Contribution Policy

The City contributes to the Retirement System in accordance with the requirements of Part VII, Chapter 112 of the Florida Statutes. Effective August 25, 2009, the City implemented a contribution floor such that the City's contribution to the Retirement System will be at least 22% of the member payroll. The City may increase or decrease the floor by up to 2% of member payroll once every five years, if supported by an actuarial study. The floor shall not be less than 16% or more than 28% of member payroll.

ACTUARIAL ASSUMPTIONS AND METHODS

1. Actuarial Cost Method

The entry age normal cost method was used to determine all liabilities, except that the liability associated with member contributions has been assumed to be equal to those contributions.

Prior to October 1, 1998, fiscal year City contributions made in excess of required valuation year contributions were credited to the temporary funding credit.

Beginning October 1, 1998, fiscal year contributions made in excess of required valuation year contributions are included in the experience gain or loss for the year. Experience gains and losses are amortized over a 15-year period.

Beginning October 1, 2007, the method of amortizing experience gains and losses of the System was changed from a 15-year to a 30-year level dollar method. The amortization amounts for outstanding gain and loss bases as of October 1, 2007 were recalculated to extend the amortization period an additional 15 years (for a total of 30 years).

Beginning October 1, 2008, the method of amortizing all outstanding unfunded liability bases was changed from a level dollar method to an increasing amortization based on a level percent of payroll. The aggregate payroll is assumed to increase at 4.0% per year, limited to average payroll growth for the previous 10 years.

Beginning October 1, 2011, the method of amortizing all outstanding unfunded liability bases was changed to an increasing amortization based on a level percent of payroll where the aggregate payroll is assumed to increase at 3.5% per year.

2. Decrements

- **Pre-Retirement Mortality**
  RP-2000 Combined Mortality Table with a blue collar adjustment projected 15 years from valuation date.

- **Post-Retirement Healthy Mortality**
  RP-2000 Combined Mortality Table with a blue collar adjustment projected 7 years from valuation date.

- **Post-Retirement Disabled Mortality**
  RP-2000 Disabled Mortality Table

- **Disability (General Employees)**
  Representative values of the assumed annual rates of disability among General employee members in active service are set forth in the following table:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.024%	35	0.104%	50	0.360%	65	0.784%
25	0.040%	40	0.152%	55	0.608%	70	0.688%
30	0.056%	45	0.224%	60	0.880%	75	0.592%

- **Disability (Police Officers and Firefighters)**

  85% of all disabilities are assumed to be in the line of duty and 15% are assumed not to be in the line of duty. Representative values of the assumed annual rates of disability among Police Officer and Firefighter members in active service are set forth in the following table:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.096%	35	0.248%	50	0.896%	65	2.192%
25	0.120%	40	0.384%	55	1.328%	70	2.624%
30	0.152%	45	0.584%	60	1.760%	75	3.056%

- **Permanent Withdrawal from Active Status (used for members with less than six years of service)**

  Representative values of the assumed annual rates of withdrawal among members in active service who have less than six years of service are set forth in the following tables:

General Employees

Years of Service	Rate
0	12.5%
1	12.5%
2	7.5%
3	7.5%
4	7.5%
5	7.5%

Police Officers

Years of Service	Rate
0	12.0%
1	12.0%
2	9.0%
3	7.5%
4	6.0%
5	5.0%

Firefighters

Years of Service	Rate
0	12.5%
1	9.5%
2	5.0%
3	4.0%
4	3.0%
5	2.5%

- **Permanent Withdrawal from Active Status (used for members with at least six years of service)**

  Representative values of the assumed annual rates of withdrawal among members in active service who have at least six years of service are set forth in the following tables:

General Employees

Age	Rate
25	5.0%
30	5.0%
35	5.0%
40	5.0%
45	5.0%
50	5.0%
55	3.0%
60	2.0%

Police Officers

Age	Rate
25	5.0%
30	4.5%
35	4.0%
40	4.0%
45	4.0%
50	1.0%
55	1.0%
60	1.0%

Firefighters

Age	Rate
25	2.0%
30	2.0%
35	2.0%
40	2.0%
45	2.0%
50	1.0%
55	1.0%
60	1.0%

- **Retirement (General Employees)**

  Representative values of the assumed annual rates of retirement among eligible General Employee members are shown in the tables below:

  a) General Employees with less than 25 years of eligible service:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	0%	52	5%	59	15%	66	25%
46	0%	53	5%	60	15%	67	35%
47	0%	54	5%	61	5%	68	45%
48	0%	55	15%	62	15%	69	85%
49	0%	56	15%	63	5%	70	100%
50	10%	57	15%	64	5%		
51	5%	58	15%	65	75%		

  b) General Employees with 25 years of eligible service:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	0%	52	30%	59	40%	66	50%
46	0%	53	30%	60	40%	67	60%
47	0%	54	30%	61	40%	68	70%
48	0%	55	40%	62	50%	69	80%
49	0%	56	40%	63	30%	70	100%
50	50%	57	40%	64	30%		
51	30%	58	40%	65	80%		

  c) General Employees with more than 25 years of eligible service:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	0%	52	10%	59	20%	66	30%
46	0%	53	10%	60	20%	67	40%
47	0%	54	10%	61	10%	68	50%
48	0%	55	20%	62	20%	69	90%
49	0%	56	20%	63	10%	70	100%
50	15%	57	20%	64	10%		
51	10%	58	20%	65	80%		

- **Retirement (Police Officers and Firefighters)**

  Representative values of the assumed annual rates of retirement among eligible Police Officer and Firefighter members are shown in the table below:

Service	Age < 65		Age ≥ 65
	Police Officers	Firefighters	
<15	0%	0%	100%
15-19	5%	2.5%	100%
20	25%	20%	100%
21-24	10%	10%	100%
25	50%	40%	100%
26	30%	30%	100%
27	40%	40%	100%
28	50%	45%	100%
29	60%	50%	100%
30+	100%	100%	100%

3. Interest Rates

8.00% per annum net of investment related expenses.

4a. Salary Increases (General Employees)

Representative values of the assumed annual rates of increase in salaries for General employees are shown in the table below:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	9.0%	35	6.0%	50	4.0%	65	4.0%
25	8.0%	40	5.0%	55	4.0%	70	4.0%
30	7.0%	45	4.5%	60	4.0%	75	4.0%

A 5.0% and 9.5% salary increase is assumed as of October 1, 2011 and October 1, 2012 respectively. These increases reflect the restoration of a 17% pay concession that occurred on March 21, 2011 (with pay being restored to pre-concession levels on April 1, 2012) as well as the cessation of mandatory furlough days (1 in every 10 days ending on March 20, 2011). Other than the restoration of the above concessions, no salary increases for fiscal 2012 through 2014 are assumed. Beginning with fiscal 2015, pay is assumed to increase at the rates provided in the table above.

4b. Salary Increases (Police Officers and Firefighters)

Representative values of the assumed annual rates of increase in salaries for Police Officers and Firefighters are shown in the table below:

Service	Police Officers	Firefighters
0	9.0%	9.0%
1	8.5%	8.5%
2	8.0%	8.0%
3	7.5%	7.5%
4	7.0%	7.0%
5	6.5%	6.5%
6 – 9	6.0%	6.0%
10	6.0%	5.0%
11	5.0%	4.5%
12 – 22	4.0%	4.0%
23+	4.0%	3.0%

The pay scale for the Police Officer and Firefighters also reflects short term salary freezes through the end of fiscal 2013.

5. Expenses

Annual administrative expenses, exclusive of investment expenses and commissions, are assumed to be payable by the City outside of the pension trust. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.

6. Assets

The actuarial value of assets (AVA) is equal to the market value of assets adjusted to reflect a five year phase-in of the difference between the expected versus actual return on the AVA. The AVA is limited to an 80%-120% corridor of the market value of assets.

7. Funding Period (Pursuant to Chapter 112, Florida Statutes)

The annual payment towards the unfunded actuarial accrued liability has been determined as a level percent of pay. The aggregate payroll is assumed to increase at 3.5% per year as approved by the Division of Retirement.

8. Refund of Member Contributions

It is assumed that all members take a refund of their accumulated employee contributions upon retiring from the System.