



November 6, 2025

Via Electronic Transmission

Florida Division of Retirement

To whom it may concern:

Re: 2025 Disclosure under F.S. 112.664

An attachment provides information under F.S. 112.664(1) for the Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan (the Plan) as of January 1, 2025 in the format described in F.A.C. Rule 60T-1.0035. I have uploaded the semi-colon delimited file described by the rule.

The disclosure requirements for F.S. 112.664(2)(b)2. are found on page 29 of the attached January 1, 2025 actuarial valuation of the Plan. The GASB 67 Supplement as of December 31, 2024 and the GASB 68 Supplement as of September 30, 2024 have also been attached.

The above communication shall not be construed to provide tax advice, legal advice or investment advice.

Our company's document retention policy requires destruction of all GRS internal copies of this document seven years after the participant's date of retirement. You may want to retain a copy of this document in case this information is needed in the future.

Please let me know if you have any questions or need additional information.

Sincerely yours,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Paula C. Freiman". The signature is written in a cursive, flowing style.

Paula C. Freiman, ASA, EA, FCA
Consultant and Actuary

Enclosure

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 me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

(a) City/District.....	Palm Beach County Palm Tran, Inc. ATU Local 1577 Pension Plan
(b) Plan Name.....	
(c) Plan Type.....	Defined Benefit
(d) Valuation Date.....	01/01/2025
(e) Interest Rate:	
(e)(1) Discount Rate, net of investment fees.....	7.00%
(e)(2) Long-Term Expected Rate of Return, net of investment fees.....	7.00%
(f) Certification Statement	<i>Paula C. Freiman</i>
(f)(1) Signature	_____
(f)(2) Actuary's Name.....	Paula C. Freiman
(f)(3) Enrollment Number.....	23-5796
(f)(4) Signature Date.....	05/27/2025
(f)(5) Cover letter attached (pdf)?.....	Y

Section 112.664(1)(a), F.S. Total pension liability assuming mortality as used in FRS actuarial valuation

(g) Total pension liability:	
(g)(1) Service cost.....	\$4,403,454
(g)(2) Interest.....	11,990,036
(g)(3) Benefit changes.....	0
(g)(4) Difference between expected and actual experience.....	(1,567,457)
(g)(5) Changes in assumptions.....	0
(g)(6) Benefit payments.....	(8,928,974)
(g)(7) Contribution refunds.....	(417,247)
(g)(8) Net change in total pension liability.....	\$5,479,812
(g)(9) Total pension liability – beginning of year.....	<u>\$172,025,313</u>
(g)(10) Total pension liability – ending of year.....	\$177,505,125
(h) Plan fiduciary net position:	
(h)(1) Contributions – Employer.....	\$6,054,703
(h)(2) Contributions – State.....	0
(h)(3) Contributions – Member.....	1,234,177
(h)(4) Net investment income.....	17,510,886
(h)(5) Benefit payments.....	(8,928,974)
(h)(6) Contributions refunds.....	(417,247)
(h)(7) Administrative expense.....	(295,327)
(h)(8) Other.....	0
(h)(9) Net change in plan fiduciary net position.....	\$15,158,218
(h)(10) Plan fiduciary net position – beginning of year.....	<u>\$138,652,858</u>
(h)(11) Plan fiduciary net position – ending of year.....	\$153,811,076
(i) Net pension liability/(asset) [(g)(10) minus (h)(11)].....	\$23,694,049

Section 112.664(1)(b), F.S. Total pension liability assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan

(j) Total pension liability:	
(j)(1) Service cost.....	\$6,639,761
(j)(2) Interest.....	10,626,837
(j)(3) Benefit changes.....	0
(j)(4) Difference between expected and actual experience.....	(1,438,443)
(j)(5) Changes in assumptions.....	0
(j)(6) Benefit payments.....	(8,928,974)
(j)(7) Contribution refunds.....	(417,247)
(j)(8) Net change in total pension liability.....	\$6,481,934
(j)(9) Total pension liability – beginning of year.....	<u>\$211,039,512</u>
(j)(10) Total pension liability – ending of year.....	\$217,521,446
(k) Plan fiduciary net position:	
(k)(1) Contributions – Employer.....	\$6,054,703
(k)(2) Contributions – State.....	0
(k)(3) Contributions – Member.....	1,234,177
(k)(4) Net investment income.....	17,510,886
(k)(5) Benefit payments.....	(8,928,974)
(k)(6) Contributions refunds.....	(417,247)
(k)(7) Administrative expense.....	(295,327)
(k)(8) Other.....	0
(k)(9) Net change in plan fiduciary net position.....	\$15,158,218
(k)(10) Plan fiduciary net position – beginning of year.....	<u>\$138,652,858</u>
(k)(11) Plan fiduciary net position – ending of year.....	\$153,811,076
(l) Net pension liability/(asset) [(j)(10) minus (k)(11)].....	\$63,710,370

Section 112.664(1)(c), F.S. (on last valuation basis)

(m) Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	17.17
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Section 112.664(1)(c), F.S. (on Section 112.664(1)(a), F.S. basis)

(n) Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	17.17
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Section 112.664(1)(c), F.S. (on Section 112.664(1)(b), F.S. basis)

(o) Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	13.86
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Section 112.664(1)(d), F.S. (on last valuation basis)

(p) Recommended Plan contributions in Annual Dollar Value.....	\$7,046,801
(q) Recommended Plan contributions as a Percentage of Valuation Payroll.....	20.41%

Section 112.664(1)(d), F.S. (on Section 112.664(1)(a), F.S. basis)

(r) Recommended Plan contributions in Annual Dollar Value.....	\$7,046,801
(s) Recommended Plan contributions as a Percentage of Valuation Payroll.....	20.41%

Section 112.664(1)(d), F.S. (on Section 112.664(1)(b), F.S. basis)

(t) Recommended Plan contributions in Annual Dollar Value.....	\$11,318,942
(u) Recommended Plan contributions as a Percentage of Valuation Payroll.....	32.78%



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Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan

Actuarial Valuation as of January 1, 2025



May 27, 2025

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE PLAN YEAR
ENDING DECEMBER 31, 2026



May 27, 2025

Board of Trustees
Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan
West Palm Beach, Florida

RE: Actuarial Valuation as of January 1, 2025

Dear Board Members:

We are pleased to present the actuarial valuation as of January 1, 2025 for the Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan (the Plan). This report provides a review of the current funded status of the Plan, establishes the minimum funding requirements for the fiscal year ending December 31, 2026 and provides an analysis of experience since the last valuation. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. The 7.0% net assumed return is a prescribed assumption set by another party, as it is set by the Board. While we find all other inputs and outputs to be reasonable individually and in aggregate, this prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement. We continue to recommend lowering the net assumed return.

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.

Statement by Enrolled Actuary:

"This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation."

RE: Actuarial Valuation as of January 1, 2025
May 27, 2025
Page 2

We look forward to the presentation of these results to you and we are always available to answer any questions you may have. If other measures of liability are needed, please contact us.

Sincerely,



Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619



Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

FLA

FREIMAN LITTLE ACTUARIES

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Section

1

Board Summary

Summary of Principal Valuation Results

A summary of the key valuation findings as of January 1, 2025 are compared with the prior year below.

Minimum Funding Requirements

Funding Year Ending December 31,	2025	2026
Minimum Required Employer Contribution*	\$6,066,062	\$6,010,839
As a Percent of Payroll	17.46 %	17.41 %

Funded Status

Valuation Date January 1,	2024	2025
Accrued Liability (AL)	\$172,025,313	\$177,505,125
Actuarial Value of Assets	<u>152,301,916</u>	<u>158,361,723</u>
Unfunded Accrued Liability (UAL)	\$19,723,397	\$19,143,402
Funded Percentage	88.53 %	89.22 %

Key Assumptions

Valuation Date January 1,	2024	2025
Assumed Rate of Investment Return	7.00%	7.00%
Salary Increase Assumption	12.5%-5.0%	12.5%-5.0%
Payroll Inflation	2.00%	2.00%
Funding Method	Entry Age	Entry Age

*The Minimum Required Employer Contribution shown above is payable on the first day of the funding year.

Summary of Significant Events

Determination of the funded status of the Plan and minimum funding requirements are based on participant data, asset information, Plan provisions, actuarial methods and assumptions. Any significant events associated with these items are discussed in the following.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Plan administrator. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. We have also relied upon asset information provided by the auditor. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

Participant Data

The number of active members decreased by 28 while the covered valuation payroll decreased 0.63% from the prior year. Meanwhile, the number of inactive members in payment status increased by 20 while the average monthly benefit increased 1.76%.

On an individual level, pay increases were 5.71% amongst continuing actives in comparison to 8.85% payroll increases expected on average. Note that this average is based on use of valuation pay in the current year no less than pay in the prior valuation.

As shown in the following table, the average of total compensation increases over the last ten years was 3.50% as compared to the 2.0% total payroll increase assumption used in the amortization of the Unfunded Accrued Liability as a level percentage of payroll in the prior actuarial valuation.

Year Ending December 31,	Total Compensation	Annual Salary Increases			
		Total Payroll		Average by Individual	
		Actual	Expected	Actual	Expected
2024	\$37,644,011	3.84%	2.0%	5.7%	8.9%
2023	36,250,346	7.75%	2.0%	9.9%	8.9%
2022	33,641,561	2.57%	2.0%	7.1%	9.1%
2021	32,799,623	0.84%	2.0%	6.0%	8.7%
2020	32,525,195	3.60%	2.0%	4.6%	9.2%
2019	31,395,399	2.35%	2.0%	4.4%	8.9%
2018	30,674,568	0.90%	2.3%	5.0%	8.7%
2017	30,402,375	1.13%	2.6%	6.3%	8.4%
2016	30,061,310	9.27%	2.6%	7.8%	8.0%
2015	27,512,115	3.05%	2.8%	3.4%	7.7%
10-Year Average		3.50%	2.2%	6.0%	8.7%

Demographic experience produced a small actuarial gain. Should a pattern of consistent gains or losses develop, assumptions will be adjusted as needed.

Assets

The assumed net annual rate of investment return was 7.0% for the year ending December 31, 2024. The Actuarial Value of Assets recognizes investment returns more or less than the net assumed 7.0% return on a straight-line basis over a five-year period. This gradual recognition is called “asset smoothing” which is performed to reduce volatility in employer contributions. While the return on the Market Value of Assets was 12.74%, the return on the smoothed Actuarial Value of Assets was 5.57%. Since the return on the Actuarial Value of Assets was less than the 7.0% assumed net rate of return, an investment-related actuarial loss occurred.

Investment returns less than the assumed rate of return result in increased annual minimum required contributions payable in a subsequent year. Historic return on investment information follows.

Year Ending December 31	Return on Investments		
	Market	Actuarial	Expected
2024	12.74%	5.57%	7.00%
2023	10.55%	5.76%	7.00%
2022	(16.64%)	4.89%	7.00%
2021	12.40%	11.36%	7.25%
2020	16.41%	9.91%	7.50%
2019	18.87%	5.90%	7.75%
2018	(4.16%)	4.38%	8.00%
2017	13.45%	7.00%	8.00%
2016	6.64%	6.23%	8.00%
2015	(2.13%)	6.02%	8.00%
2014	6.17%	8.88%	8.00%
2013	13.45%	10.70%	8.00%
2012	11.10%	4.18%	8.00%
2011	0.04%	3.69%	8.00%
2010	13.83%	4.79%	8.00%
2009	20.77%	11.55%	8.00%
2008	(23.15%)	(7.82%)	8.00%
2007	8.15%	8.15%	8.00%
2006	10.16%	4.92%	8.00%
2005	3.49%	2.95%	8.00%
2004	6.30%	3.34%	8.00%
2003	14.26%	5.40%	8.00%
2002	(12.39%)	5.72%	8.00%
2001	(0.94%)	(0.94%)	
2000	8.65%	8.65%	
1999	4.09%	4.09%	
1998	10.34%	10.34%	
1997	22.61%	22.61%	
1996	11.15%	11.15%	
1995	18.04%	18.04%	
Geometric Average of of Last 30 Years	6.58%	6.78%	
of Last 23 Years	5.47%	5.73%	7.80%
of Last 10 Years	6.25%	6.68%	7.55%

Plan Provisions

There were no significant changes in Plan Provisions since the prior actuarial valuation. See the section entitled Outline of Plan Provisions in Section 4 to see detail on amendments.

The reconciliation of the funded status and the minimum required contribution provided in Section 2 of this report provide detail for any change in Plan provisions.

Assumptions and Methods

There were no changes in methods or assumptions since the prior valuation.

The net assumed rate of investment return is unchanged from 7.0% used in the prior actuarial valuation as directed by the Board of Trustees. The 7.0% net assumed return is a prescribed assumption set by another party, as it is set by the Board. The prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement. As discussed with the Board we recommend lowering the net assumed return.

See the Required Disclosure Under F.S. 112.664(1) found near the end of section 2 of this report which provides the funding results using a net assumed return assumption 2% higher and 2% lower than the net assumed return used in this actuarial valuation. The Reasonable Actuarially Determined Contribution (RADDC) is roughly half-way between the result for the 7.0% net assumed return and that for the 5.0% net assumed return.

The impact of any changes in assumptions and methods may be found in the reconciliation of the funded status and minimum funding requirements found near the end of Section 2 of this report. See "Reconciliations" in the table of contents.

Assessment and Disclosure of Risk

This section is meant to address the assessment and disclosure of risk in a pension funding valuation. This is not meant to be a comprehensive summary but should provide information regarding risks related to this plan. Additional historical information provided in this report also contains relevant information regarding asset size, asset mix, pay increases, benefits and contributions. This information can be used to understand the changes over time to identify trends.

Actuarial Standards of Practice define risk as “The potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience....” The following provides examples of potential risk.

Investment Risk: As noted previously, investment returns less than the assumed rate of return result in increased annual minimum required contributions payable in a subsequent year.

Interest Rate Risk: Interest rates are used to discount the value of benefits. If the long-term expectation of returns is higher or lower than the assumed net investment return, the assumed net investment return should be adjusted. When the assumed net investment return is increased the estimated liability is decreased. When the assumed net investment return is decreased the estimated liability is increased. The chart below shows what the funded status of the plan is on a market value of assets basis after changing the net assumed return by 1% or 2%.

Funded Status on Market Value of Assets Basis						
Valuation As of January 1,	2% Decrease	1% Decrease	Valuation Net Assumed Return	1% Increase	2% Increase	Valuation Net Assumed Return
2025	70.71%	78.55%	86.65%	94.97%	103.48%	7.00%
2024	65.70%	73.03%	80.60%	88.39%	96.36%	7.00%
2023	62.63%	69.68%	76.97%	84.47%	92.16%	7.00%
2022	78.42%	87.35%	96.61%	106.16%	115.96%	7.00%
2021	74.84%	83.29%	92.06%	101.10%	110.39%	7.25%
2020	68.92%	76.65%	84.67%	92.95%	101.46%	7.50%
2019	61.60%	68.61%	75.88%	83.41%	91.16%	7.75%
2018	69.16%	77.04%	85.23%	93.72%	102.49%	8.00%
2017	62.87%	70.13%	77.70%	85.55%	93.65%	8.00%
2016	61.24%	68.38%	75.82%	83.55%	91.54%	8.00%
2015	64.85%	72.24%	79.97%	88.01%	96.34%	8.00%

Longevity and Other Demographic Risks: The estimated liability of the Plan is based on assumptions related to mortality, retirement, disability and termination. To the extent that Plan experience is different than these assumptions the gains and losses affect future required contributions and estimated liability.

Contribution Risk: The possibility that the plan sponsor does not make contributions to the plan according to the funding policy.

Intergenerational equity risk: Intergenerational equity is the concept that resources do not belong to a specific generation and they must be preserved for future generations. One way to alleviate this risk is to pay for benefits over the average future service of the group receiving benefits. Members may feel



there are inequities when one is paying more than others, receiving less than others, or paying more than others in relation to what they are receiving.

Plan maturity measures may help understand the risks associated with the plan. As the Plan matures, the ratio of the Market Value of Assets to the Covered Payroll increases. As this ratio gets larger, the impact of asset volatility has a larger effect on the volatility of the Minimum Required Contribution as a percentage of pay.

<u>Year Ending December 31,</u>	<u>Market Value of Assets</u>	<u>Covered Valuation Payroll</u>	<u>Asset Volatility Ratio</u>
2024	\$153,811,076	\$33,854,954	4.5
2023	138,652,858	34,068,001	4.1
2022	127,446,195	32,252,408	4.0
2021	154,520,407	32,622,308	4.7
2020	138,676,209	32,705,258	4.2
2019	119,658,658	31,920,449	3.7
2018	101,334,628	31,702,463	3.2
2017	106,312,842	31,910,081	3.3
2016	93,500,289	29,713,024	3.1
2015	85,571,117	28,018,022	3.1
2014	85,267,807	27,029,437	3.2
2013	76,687,616	24,661,404	3.1
2012	64,254,818	25,724,674	2.5
2011	54,215,053	24,999,674	2.2
2010	53,700,203	25,497,963	2.1
2009	46,496,283	25,386,904	1.8
2008	37,332,547	24,611,065	1.5
2007	46,902,218	21,454,569	2.2
2006	41,834,410	20,148,949	2.1
2005	36,516,528	18,954,945	1.9
2004	33,637,571	17,938,780	1.9
2003	29,883,879	17,206,023	1.7
2002	24,743,099	16,656,892	1.5
2001	26,522,564	15,633,008	1.7
2000	25,299,461	13,723,500	1.8
1999	21,667,779	15,064,500	1.4
1998	19,105,793	12,617,200	1.5

Another measure of a pension plan's maturity is the Ratio of Benefit Payments to Contributions. Over the life of a pension plan, it is expected that the majority of the benefits will be paid for by returns rather than contributions. For this to happen, as a plan matures, the plan will eventually pay out more in benefits than it receives in contributions. It is important to understand the magnitude of this difference so that steps can be taken, if necessary, to manage cash flows going forward. The table below provides the Ratio of Benefit Payments to Contributions. Note that there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

<u>Year Ending December 31,</u>	<u>Benefit Payments</u>	<u>Contributions</u>	<u>Ratio of Benefit Payments to Contributions</u>
2024	\$9,346,221	\$7,288,880	1.28
2023	9,121,976	7,239,163	1.26
2022	8,572,850	7,403,398	1.16
2021	8,241,414	7,256,487	1.14
2020	7,606,438	7,314,117	1.04
2019	7,205,264	6,753,022	1.07
2018	6,625,328	6,433,634	1.03
2017	5,898,029	6,334,206	0.93
2016	5,467,344	7,799,451	0.70
2015	5,009,083	7,334,513	0.68
2014	4,626,680	8,584,921	0.54
2013	4,256,193	7,980,722	0.53
2012	4,051,806	8,030,106	0.50
2011	3,577,083	4,252,836	0.84
2010	3,053,766	3,930,790	0.78
2009	2,493,458	3,938,061	0.63
2008	2,303,030	3,905,350	0.59
2007	2,112,919	3,880,197	0.54
2006	1,831,150	3,469,337	0.53
2005	1,474,715	3,294,555	0.45
2004	1,201,780	3,140,276	0.38
2003	1,137,534	2,756,437	0.41
2002	975,180	2,693,712	0.36
2001	948,518	2,520,920	0.38
2000	779,336	2,590,583	0.30
1999	619,413	2,484,915	0.25
1998	526,077	2,286,881	0.23

When looking at Net Cash Flows, it is useful to understand the relative size of the cash flows in comparison to the Market Value of Assets. The following table provides the ratio of the Net Cash Flows divided by the Market Value of Assets. As mentioned previously, there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending December 31,	Contributions	Disbursements	Assets	Net Cash Flow Divided by Assets
2024	\$7,288,880	\$9,641,548	\$153,811,076	(0.02)
2023	7,239,163	9,370,012	138,652,858	(0.02)
2022	7,403,398	8,885,817	127,446,195	(0.01)
2021	7,256,487	8,529,129	154,520,407	(0.01)
2020	7,314,117	7,884,100	138,676,209	0.00
2019	6,753,022	7,481,791	119,658,658	(0.01)
2018	6,433,634	6,997,481	101,334,628	(0.01)
2017	6,334,206	6,111,724	106,312,842	0.00
2016	7,799,451	5,624,363	93,500,289	0.02
2015	7,334,513	5,191,527	85,571,117	0.03
2014	8,584,921	4,849,982	85,267,807	0.04
2013	7,980,722	4,426,271	76,687,616	0.05
2012	8,030,106	4,217,532	64,254,818	0.06
2011	4,252,836	3,759,253	54,215,053	0.01
2010	3,930,790	3,207,631	53,700,203	0.01
2009	3,938,061	2,662,489	46,496,283	0.03
2008	3,905,350	2,452,275	37,332,547	0.04
2007	3,880,197	2,286,129	46,902,218	0.03
2006	3,469,337	1,940,948	41,834,410	0.04
2005	3,294,555	1,617,982	36,516,528	0.05
2004	3,140,276	1,327,044	33,637,571	0.05
2003	2,756,437	1,250,590	29,883,879	0.05
2002	2,693,712	1,087,274	24,743,099	0.06
2001	2,520,920	1,053,307	26,522,564	0.06
2000	2,590,583	906,888	25,299,461	0.07
1999	2,484,915	739,536	21,667,779	0.08
1998	2,286,881	633,454	19,105,793	0.09

Low-Default-Risk Obligation Measure

This section aims to address the evaluation and disclosure of a Low-Default-Risk Obligation Measure (LDROM) within a pension funding valuation. The LDROM involves a calculation of liability, assuming that the Plan's investments are in low-default-risk securities. Importantly, the LDROM serves as a supplementary calculation and is not intended to replace the funding measures outlined in this report.

Instead, the LDROM offers an additional perspective by providing a measure of the Plan's cost if its investments were shifted to low-default-risk fixed income securities. This adjustment aligns with return profiles that essentially mirror future cash flows, potentially mitigating contribution volatility. Furthermore, the LDROM serves to illustrate the potential savings the Plan experiences by diversifying its portfolio.

The table below depicts the Actuarial Accrued Liability for funding purposes in comparison to the LDROM. Notably, the assumed rate of return for funding purposes stands at 7.0%, while the LDROM is based on the S&P Municipal Bond 20 Year High Grade Rate Index (yield to maturity). All other assumptions and methods are the same as described at the end of this report.

It's essential to understand that the LDROM is not the definitive measure of the Plan's liability. Instead, it provides an estimate of the Plan's cost under the scenario where the Board opts for a portfolio exclusively comprised of low-default-risk fixed income investments.

<u>Valuation Date</u>	<u>Funding Accrued Liability</u>	<u>Funding Net Assumed Return</u>	<u>LDROM Accrued Liability</u>	<u>LDROM Rate</u>
01/01/2025	\$177,505,125	7.0%	\$235,751,560	4.28%
01/01/2024	\$172,025,313	7.0%	\$236,400,343	4.00%

Section

2**Results Derivation**

In this section, the assets and liabilities of the Plan are shown in detail. Assets and liabilities are then compared to determine the funded status and minimum funding requirements. Finally, analysis is performed to explain movement in results from the prior valuation.

While asset information is based on the fair market value of assets, along with any techniques used to smooth out market fluctuations, liabilities are determined through a combination of the benefit provisions, participant census data which contains information for the members who will receive those benefits, and the methods and assumptions used with regard to how benefits will be paid to members. A summary of participant data, an outline of the benefit provisions, and a description of the methods and assumptions used in this valuation are described in Section 4.

Financial Information

Over the life of the Plan, the majority of assets are typically generated from investment return. In this section, we describe how the assets of the Plan are invested, show how the actuarial value of assets is derived, and review the investment results since the prior valuation.

Investment Allocation

Year Ending	December 31, 2023		December 31, 2024	
Cash and Equivalents	\$0	0 %	\$0	0 %
Money Market	1,680,344	1 %	8,340,949	5 %
Fixed Income Securities	40,756,613	29 %	49,216,430	32 %
Equity Securities	84,167,151	61 %	98,601,177	65 %
Real Estate Funds	11,921,057	9 %	9,404,486	6 %
Net Receivables	<u>127,693</u>	<u>0 %</u>	<u>(11,751,966)</u>	<u>(8)%</u>
Total Assets	\$138,652,858	100 %	\$153,811,076	100 %

Reconciliation of Market and Actuarial Value of Assets

Year Ending Asset Value Type	December 31, 2024	
	Market Value	Actuarial Value
1. Value as of Beginning of Year	\$138,652,858	\$152,301,916
2. Contributions		
a. Employer	\$6,054,703	
b. Employee	<u>1,234,177</u>	
d. Total Contributions	\$7,288,880	\$7,288,880
3. Investment Income		
a. Realized Gain or (Loss)	\$2,895,014	
b. Unrealized Gain or (Loss)	11,725,249	
c. Interest and Dividends	3,212,887	
d. Other Income	8,372	
e. Investment Expenses	<u>(330,636)</u>	
f. Net Investment Income	\$17,510,886	\$8,412,475
4. Deductions		
a. Benefit Payments	\$(8,928,974)	
b. Refunds	(417,247)	
c. Administrative Expenses	<u>(295,327)</u>	
d. Total Deductions	\$(9,641,548)	\$(9,641,548)
5. Value as of End of Year	\$153,811,076	\$158,361,723
6. Return on Investments	12.74 %	5.57 %

Determination of Market Value Gains or Losses

	2024	2023
1. Market Value of Assets - Beginning of Year	\$138,652,858	\$127,446,195
2. Contributions	7,288,880	7,239,163
3. Benefit Payments and Administrative Expense	(9,641,548)	(9,370,012)
4. Interest	<u>9,835,271</u>	<u>9,063,301</u>
5. Expected Value of Assets at End of Year	\$146,135,461	\$134,378,647
6. Market Value of Assets - End of Year	\$153,811,076	\$138,652,858
7. Gain (Loss) for Plan Year	\$7,675,615	\$4,274,211
	2022	2021
1. Market Value of Assets - Beginning of Year	\$154,520,407	\$138,676,209
2. Contributions	7,403,398	7,256,487
3. Benefit Payments and Administrative Expense	(8,885,817)	(8,529,129)
4. Interest	<u>10,988,225</u>	<u>10,235,136</u>
5. Expected Value of Assets at End of Year	\$164,026,213	\$147,638,703
6. Market Value of Assets - End of Year	\$127,446,195	\$154,520,407
7. Gain (Loss) for Plan Year	\$(36,580,018)	\$6,881,704

Development of Actuarial Value of Assets

The Actuarial Value of Assets was determined as follows:

1.	Market Value of Assets of January 1, 2025			\$153,811,076
2.	Phase-In of Gains or (Losses) for Previous Five Years			
	Year Ending	Gain or (Loss)	Percentage Recognized	Unrecognized Gain (Loss)
	12/31/2024	\$7,675,615	20%	\$6,140,492
	12/31/2023	4,274,211	40%	2,564,527
	12/31/2022	(36,580,018)	60%	(14,632,007)
	12/31/2021	6,881,704	80%	<u>1,376,341</u>
			Total	\$(4,550,647)
3.	Preliminary Actuarial Value = (1) - (2)			\$158,361,723
4.	Corridor Around Market Value			
	a. Minimum = 80% x Market Value of Assets			\$123,048,861
	b. Maximum = 120% x Market Value of Assets			184,573,291
	c. Corridor Adjustment			0
5.	Actuarial Value of Assets of January 1, 2025			\$158,361,723

Historical Asset Information

Year Ending December 31	Asset Values		Return on Investments		
	Market	Actuarial	Market	Actuarial	Expected
2024	\$153,811,076	\$158,361,723	12.74%	5.57%	7.00%
2023	138,652,858	152,301,916	10.55%	5.76%	7.00%
2022	127,446,195	146,081,862	(16.64%)	4.89%	7.00%
2021	154,520,407	140,722,665	12.40%	11.36%	7.25%
2020	138,676,209	127,570,545	16.41%	9.91%	7.50%
2019	119,658,658	116,611,177	18.87%	5.90%	7.75%
2018	101,334,628	110,819,439	(4.16%)	4.38%	8.00%
2017	106,312,842	106,724,233	13.45%	7.00%	8.00%
2016	93,500,289	99,523,840	6.64%	6.23%	8.00%
2015	85,571,117	91,577,584	(2.13%)	6.02%	8.00%
2014	85,267,807	84,293,375	6.17%	8.88%	8.00%
2013	76,687,616	73,836,234	13.45%	10.70%	8.00%
2012	64,254,818	63,314,431	11.10%	4.18%	8.00%
2011	54,215,053	57,037,023	0.04%	3.69%	8.00%
2010	53,700,203	54,522,208	13.83%	4.79%	8.00%
2009	46,496,283	51,323,623	20.77%	11.55%	8.00%
2008	37,332,547	44,799,056	(23.15%)	(7.82%)	8.00%
2007	46,902,218	47,083,495	8.15%	8.15%	8.00%
2006	41,834,410	42,001,404	10.16%	4.92%	8.00%
2005	36,516,528	38,539,860	3.49%	2.95%	8.00%
2004	33,637,571	35,781,897	6.30%	3.34%	8.00%
2003	29,883,879	32,841,975	14.26%	5.40%	8.00%
2002	24,743,099	29,691,719	(12.39%)	5.72%	8.00%
2001	26,522,564	26,522,564	(0.94%)	(0.94%)	
2000	25,299,461	25,299,461	8.65%	8.65%	
1999	21,667,779	21,667,779	4.09%	4.09%	
1998	19,105,793	19,105,793	10.34%	10.34%	
1997	15,740,062	15,740,062	22.61%	22.61%	
1996	11,346,702	11,346,702	11.15%	11.15%	
1995	9,056,494	9,056,494	18.04%	18.04%	
Geometric Average of Last 30 Years			6.58%	6.78%	
Geometric Average of Last 23 Years			5.47%	5.73%	7.80%
Geometric Average of Last 10 Years			6.25%	6.68%	7.55%

Note: Investment returns less than the assumed rate of return result in increased annual minimum required contributions.

Historical Contribution Information

Year Ending December 31,	Company Contributions		Member Contributions	
	Dollars	% of Pay	Dollars	% of Pay
2024	\$6,054,703	16.1 %	\$1,234,177	3.3 %
2023	6,189,910	17.1 %	1,049,253	2.9 %
2022	6,390,895	19.0 %	1,012,503	3.0 %
2021	6,268,796	19.1 %	987,691	3.0 %
2020	6,338,056	19.5 %	976,061	3.0 %
2019	5,809,852	18.5 %	943,170	3.0 %
2018	5,509,648	18.0 %	923,986	3.0 %
2017	5,421,844	17.8 %	912,362	3.0 %
2016	6,931,452	23.1 %	867,999	2.9 %
2015	6,557,240	23.8 %	777,273	2.8 %
2014	7,900,190	29.5 %	684,731	2.6 %
2013	7,357,275	29.5 %	623,447	2.5 %
2012	7,411,075	29.9 %	619,031	2.5 %
2011	3,628,424	13.0 %	624,412	2.5 %
2010	3,294,481	13.0 %	636,309	2.5 %
2009	3,302,893	13.0 %	635,168	2.5 %
2008	3,275,495	13.0 %	629,855	2.5 %
2007	3,272,841	13.0 %	607,356	2.5 %
2006	2,909,900	13.0 %	559,437	2.5 %
2005	2,761,386	13.0 %	533,169	2.5 %
2004	2,632,934	13.0 %	507,342	2.5 %
2003	2,313,147	13.0 %	443,290	2.5 %
2002	2,269,712	13.5 %	424,000	2.5 %
2001	2,127,458	13.5 %	393,462	2.5 %
2000	2,221,011	15.0 %	369,572	2.5 %
1999	2,140,768	15.6 %	344,147	2.5 %
1998	1,970,144	15.6 %	316,737	2.5 %

Note: Company Contributions were less than the actuarially determined minimum required contribution from 2008 through 2015. Member contributions should be 3.0% in calendar 2016, 2023 and 2024.

Historical Disbursements

Year Ending	Benefits	Administrative Expenses	Disbursements
12/31/2024	\$(9,346,221)	\$(295,327)	\$(9,641,548)
12/31/2023	(9,121,976)	(248,036)	(9,370,012)
12/31/2022	(8,572,850)	(312,967)	(8,885,817)
12/31/2021	(8,241,414)	(287,715)	(8,529,129)
12/31/2020	(7,606,438)	(277,662)	(7,884,100)
12/31/2019	(7,205,264)	(276,527)	(7,481,791)
12/31/2018	(6,625,328)	(372,153)	(6,997,481)
12/31/2017	(5,898,029)	(213,695)	(6,111,724)
12/31/2016	(5,467,344)	(157,019)	(5,624,363)
12/31/2015	(5,009,083)	(182,444)	(5,191,527)
12/31/2014	(4,626,680)	(223,302)	(4,849,982)
12/31/2013	(4,256,193)	(170,078)	(4,426,271)
12/31/2012	(4,051,806)	(165,726)	(4,217,532)
12/31/2011	(3,577,083)	(182,170)	(3,759,253)
12/31/2010	(3,053,766)	(153,865)	(3,207,631)
12/31/2009	(2,493,458)	(169,031)	(2,662,489)
12/31/2008	(2,303,030)	(148,136)	(2,451,166)
12/31/2007	(2,112,919)	(173,210)	(2,286,129)
12/31/2006	(1,831,150)	(109,798)	(1,940,948)
12/31/2005	(1,474,715)	(143,267)	(1,617,982)
12/31/2004	(1,201,780)	(125,264)	(1,327,044)
12/31/2003	(1,137,534)	(113,056)	(1,250,590)
12/31/2002	(975,180)	(112,094)	(1,087,274)
12/31/2001	(948,518)	(104,789)	(1,053,307)
12/31/2000	(779,336)	(127,552)	(906,888)
12/31/1999	(619,413)	(120,123)	(739,536)
12/31/1998	(526,077)	(107,377)	(633,454)
12/31/1997	(491,065)	(99,256)	(590,321)
12/31/1996	(393,563)	(88,424)	(481,987)
12/31/1995	(350,975)	(51,993)	(402,968)

Present Value of Benefits

Year Beginning January 1,	2024	2025
1. Active Members		
a. Retirement Benefits	\$110,017,597	\$110,441,182
b. Termination Benefits	4,556,592	4,563,436
c. Survivor Benefits	410,964	407,654
d. Disability Retirement	<u>1,750,171</u>	<u>1,749,974</u>
e. Total for Active Members	\$116,735,324	\$117,162,246
2. Vested Terminated Members	\$8,132,773	\$8,057,694
3. Members in Payment Status		
a. Retirees	\$75,323,202	\$79,612,433
b. Beneficiaries	5,408,200	6,229,234
c. Disability Retirees	<u>3,223,662</u>	<u>3,276,550</u>
d. Total	\$83,955,064	\$89,118,217
4. Present Value of Benefits (PVB)	\$208,823,161	\$214,338,157

Accrued Liability

Year Beginning January 1,	2024	2025
1. Active Members		
a. Retirement Benefits	\$78,316,731	\$78,684,996
b. Termination Benefits	609,001	652,493
c. Survivor Benefits	192,557	188,029
d. Disability Retirement	<u>819,187</u>	<u>803,696</u>
e. Total for Active Members	\$79,937,476	\$80,329,214
2. Vested Terminated Members	\$8,132,773	\$8,057,694
3. Members in Payment Status		
a. Retirees	\$75,323,202	\$79,612,433
b. Beneficiaries	5,408,200	6,229,234
c. Disability Retirees	<u>3,223,662</u>	<u>3,276,550</u>
d. Total	\$83,955,064	\$89,118,217
4. Accrued Liability (AL)	\$172,025,313	\$177,505,125

Normal Cost

Year Beginning January 1,	2024	2025
1. Preliminary Normal Cost		
a. Retirement Benefits	\$3,798,520	\$3,696,050
b. Termination Benefits	481,755	460,878
c. Survivor Benefits	25,434	24,535
d. Disability Retirement	<u>97,745</u>	<u>94,598</u>
e. Preliminary Normal Cost	\$4,403,454	\$4,276,061
2. Total Normal Cost		
a. Preliminary Normal Cost	\$4,403,454	\$4,276,061
b. Administrative Expenses	<u>248,036</u>	<u>295,327</u>
c. Total Normal Cost - Dollar Amount	\$4,651,490	\$4,571,388
d. Total Normal Cost - Percent of Pay	13.65 %	13.50 %
3. Actual Employer Normal Cost		
a. Preliminary Normal Cost	\$4,403,454	
b. Actual Administrative Expense	295,327	
c. Actual Employee Contributions	<u>(1,234,177)</u>	
d. Actual Employer Normal Cost	\$3,464,604	
4. Valuation Payroll	\$34,068,001	\$33,854,954

Unfunded Accrued Liability

Derivation of Unfunded Accrued Liability (UAL)

As of January 1,	2025
Unfunded Accrued Liability	
1. Accrued Liability	\$177,505,125
2. Actuarial Value of Assets	<u>158,361,723</u>
3. Unfunded Accrued Liability	\$19,143,402

Determination of Expected Unfunded Accrued Liability

1. Unfunded Accrued Liability at Begin of Prior Year	\$19,723,397
2. Employer Normal Cost (Including Administrative Expenses)	3,464,604
3. Interest for a full year on (1) and (2)	1,623,160
4. Employer Contribution	(6,054,703)
5. Interest on Contribution for Time on Deposit	(423,829)
6. Change in Plan, Methods or Assumptions	<u>0</u>
7. Expected Unfunded Accrued Liability	\$18,332,629

Calculation of (Gain) or Loss

1. Actual Unfunded Accrued Liability	\$19,143,402
2. Expected Unfunded Accrued Liability	<u>18,332,629</u>
3. Total (Gain) or Loss	\$810,773
4. Breakdown of (Gain) or Loss	
a. (Gain) / Loss Due to Investments	\$2,378,230
b. (Gain) / Loss Due to Demographic Experience	<u>(1,567,457)</u>
c. Total (Gain) or Loss	\$810,773

Calculation of Actuarial Asset (Gain) or Loss

1. Actuarial Value of Assets - Beginning of Year	\$152,301,916
2. Contributions	7,288,880
3. Benefit Payments plus Administrative Expense	(9,641,548)
4. Interest	<u>10,790,705</u>
5. Expected Value of Assets at End of Year	\$160,739,953
6. Actuarial Value of Assets - End of Year	\$158,361,723
7. Actual Investment Return	\$8,412,475
8. Gain (Loss) for Plan Year	\$(2,378,230)
9. Actual % Return	5.57 %

Amortization of Unfunded Liability

The Unfunded Actuarial Accrued Liability is amortized as a level percentage of payroll based on interest and payroll growth assumptions. Changes in the Unfunded Actuarial Accrued Liability due to plan changes, assumption changes, method changes, or gains and losses are all amortized over a 25-year period beginning with the January 1, 2016 actuarial valuation. Prior to January 1, 2016 a 30-year amortization period was used.

Amortization Bases

	Date of Origin 1/1	Source	Remaining Balance	Adjusted Balance	Years Remain	Amort. Payment
1.	1997	Plan Amendment	192,468	185,641	2	95,041
2.	1999	Plan Amendment	15,213	14,673	4	3,936
3.	2000	Plan Amendment	1,199,377	1,156,842	5	254,025
4.	2003	Funding Method	3,370,739	3,251,198	8	477,626
5.	2003	Asset Method	(3,280,012)	(3,163,689)	8	(464,771)
6.	2003	Assumption Change	(1,029,962)	(993,435)	8	(145,943)
7.	2004	(Gain) Loss	77,866	75,105	9	10,029
8.	2005	(Gain) Loss	1,866,937	1,800,728	10	221,248
9.	2006	(Gain) Loss	407,337	392,891	11	44,858
10.	2007	(Gain) Loss	1,281,573	1,236,123	12	132,215
11.	2008	Plan Amendment	(3,734)	(3,602)	13	(363)
12.	2008	(Gain) Loss	371,584	358,406	13	36,157
13.	2009	(Gain) Loss	6,218,916	5,998,367	14	574,047
14.	2009	Assumption Change	4,049,336	3,905,730	14	373,780
15.	2010	(Gain) Loss	(1,417,237)	(1,366,976)	15	(124,713)
16.	2010	Assumption Change	754,967	728,193	15	66,435
17.	2011	(Gain) Loss	1,020,908	984,702	16	86,009
18.	2012	Plan Amendment	(1,196,251)	(1,153,827)	17	(96,848)
19.	2012	(Gain) Loss	910,862	878,559	17	73,743
20.	2013	(Gain) Loss	2,264,099	2,183,805	18	176,725
21.	2014	Plan Amendment	(2,719,829)	(2,623,372)	19	(205,277)
22.	2014	(Gain) Loss	(3,736,411)	(3,603,902)	19	(282,003)
23.	2015	(Gain) Loss	872,125	841,196	20	63,812
24.	2016	(Gain) Loss	(733,275)	(707,270)	16	(61,777)
25.	2016	Assumption Change	1,234,549	1,190,767	16	104,008
26.	2017	(Gain) Loss	1,565,974	1,510,438	17	126,781
27.	2018	Assumption Change	(442,216)	(426,533)	18	(34,517)
28.	2018	(Gain) Loss	(1,264,122)	(1,219,291)	18	(98,671)
29.	2019	Assumption Change	2,725,556	2,628,896	19	205,710
30.	2019	(Gain) Loss	1,754,105	1,691,897	19	132,390
31.	2020	(Gain) Loss	825,959	796,667	20	60,434
32.	2020	Assumption Change	1,449,740	1,398,326	20	106,075
33.	2021	(Gain) Loss	(3,705,058)	(3,573,661)	21	(263,419)
34.	2021	Assumption Change	3,170,593	3,058,150	21	225,420
35.	2022	(Gain) Loss	(5,940,519)	(5,729,843)	22	(411,257)
36.	2022	Assumption Change	3,471,570	3,348,454	22	240,334
37.	2023	(Gain) Loss	1,666,407	1,607,309	23	112,545
38.	2024	(Gain) Loss	1,736,552	1,674,967	24	114,613
39.	2025	(Gain) Loss	810,773	810,773	25	54,301
Scheduled Amortization Payment						\$1,982,738
Total Outstanding Bases			\$19,817,459	\$19,143,402		



Projected Unfunded Accrued Liability and Amortization Payments

Year Beginning January 1,	Outstanding Bases	Amortization Payment
2025	\$19,143,402	\$1,982,738
2026	18,361,910	2,022,390
2027	17,483,287	1,963,957
2028	16,605,684	2,003,236
2029	15,624,619	2,039,041
2030	14,536,569	1,799,357
2031	13,628,817	1,835,344
2032	12,619,017	1,872,051
2033	11,499,253	2,065,425
2034	10,094,196	2,094,748
2035	8,559,410	1,866,943
2036	7,160,939	1,848,507
2037	5,684,302	1,717,797
2038	4,244,161	1,705,850
2039	2,715,992	489,329
2040	2,382,530	577,550
2041	1,931,328	413,054
2042	1,624,553	276,144
2043	1,442,798	219,487
2044	1,308,943	441,205
2045	928,479	107,786
2046	878,142	167,535
2047	760,349	435,130
2048	347,985	266,360
2049	87,339	87,339
2050	0	0

Actions Taken to Reduce Unfunded Actuarial Accrued Liability

The required contributions calculated each year include a payment for the amortization of the unfunded actuarial accrued liability. Changes in the Unfunded Actuarial Accrued Liability due to plan changes, assumption changes, method changes, or gains and losses are all amortized over a 25-year period beginning with the January 1, 2016 actuarial valuation. Prior to January 1, 2016 a 30-year amortization period was used.

Minimum Funding Requirements

Valuation for Year Beginning January 1	2024	2025
1. Contributions Payable at Valuation Date	2024	2025
a. Total Normal Cost (Including Employee Contributions)	\$4,651,490	\$4,571,388
b. Amortization of Unfunded Accrued Liability	<u>1,960,139</u>	<u>1,982,738</u>
c. Preliminary Total Required Contribution BO Valuation Year	\$6,611,629	\$6,554,126
2. Projected Contributions Payable Beginning of Funding Year	2025	2026
a. Employer Minimum Required Contribution	\$6,066,062	\$6,010,839
b. Expected Employee Contributions	<u>1,042,481</u>	<u>1,035,962</u>
c. Total Required Contribution	\$7,108,543	\$7,046,801
d. Employer Minimum Required Contribution	17.46 %	17.41 %
e. Expected Employee Contributions	<u>3.00 %</u>	<u>3.00 %</u>
f. Total Required Contribution	20.46 %	20.41 %
3. Valuation Payroll		
a. Year Beginning on Valuation Date	\$34,068,001	\$33,854,954
b. Year Ending in Funding Year	\$34,749,361	\$34,532,053
4. Employer Funding Required for Year Beginning January 1	2025	2026
a. January 1	\$6,066,062	\$6,010,839
b. April 1	--	--
c. July 1	--	--
d. October 1	--	--
e. Total Required Contributions - \$ Amount	\$6,066,062	\$6,010,839
f. Total Required Contributions - % of Pay	17.46 %	17.41 %

Note: Employer funding must be deposited as shown in item 4. in the amounts shown on the dates shown. **If the funding is less than the amounts shown or later than the dates shown the employer is funding less than required.**

Reconciliation of Unfunded Accrued Liability

	Unfunded Accrued Liability	Funded Percentage	Change in Unfunded Accrued Liability	Change in Funded Percentage Gain (Loss)
As of Prior Valuation	\$19,723,397	88.53 %		
Changes in Funded Status Due to:				
"Normal" Operation of Plan	\$18,332,629	89.76 %	\$(1,390,768)	1.23 %
Investment Experience	\$20,710,859	88.43 %	2,378,230	(1.33)%
Demographic Experience	\$19,143,402	89.22 %	<u>(1,567,457)</u>	<u>0.79 %</u>
Total Changes			\$(579,995)	0.69 %
As of Current Valuation	\$19,143,402	89.22 %		

Reconciliation of Minimum Contributions

	Minimum Required Contribution	
	As a Dollar Amount	As a Percent of Pay
Minimum Required Contribution for 2025 (Payable January 1, 2025)	\$6,066,062	17.46%
Changes in Contribution due to:		
Normal Operation of Plan	\$121,322	0.00%
Investment Experience	170,429	0.48%
Demographic Experience	<u>(346,974)</u>	<u>(0.53%)</u>
Total Changes	\$(55,223)	(0.05%)
Minimum Required Contribution for 2026 (Payable January 1, 2026)	\$6,010,839	17.41%

Section
3

Accounting Information

Information Required by GASB 67/68

Supplemental reports provide information under the Governmental Accounting Standards Board No. 67/68.

Statement of Accumulated Plan Benefits (FASB 35)

The following table is based on prior accounting standards and is required by the State. The present value of accrued benefits is an estimate of the liability for all benefits accrued to date.

Year Beginning January 1,	2024	2025
1. Actuarial present value of accumulated plan benefits		
a. Participants currently receiving benefits	\$83,955,064	\$89,118,217
b. Other participants	<u>71,383,589</u>	<u>71,409,047</u>
c. Total vested plan benefits	\$155,338,653	\$160,527,264
d. Total non-vested plan benefits	<u>3,378,045</u>	<u>3,624,592</u>
e. Total accumulated plan benefits	\$158,716,698	\$164,151,856
2. Change in actuarial present value of accumulated plan benefits		
a. Accumulated plan benefits beginning of year		\$158,716,698
b. Increase (decrease) during year due to:		
i. Plan amendment		\$0
ii. Change in assumptions or methods		0
iii. Increase for interest and probability of payment due to decrease in discount period and benefits accrued		14,781,379
iv. Benefits paid		(9,346,221)
v. Other changes		<u>0</u>
vi. Net increase (decrease)		\$5,435,158
c. Accumulated plan benefits end of year		\$164,151,856

Other Disclosures Required by the State of Florida

Year Beginning January 1,	2024	2025
Present value of active member:		
Future salaries (attained age)	\$319,161,522	\$325,981,981
Future contributions (attained age)	\$9,574,846	\$9,779,459
Employee contributions (with interest to 5/25/07)	\$8,192,860	\$8,370,063

Required Disclosure Under F.S. 112.664(1)

As required under F.S. Section 112.664(1) we have produced the following information:

- (a) Total pension liability calculated based on mortality used in one of the last two Florida Retirement System (FRS) valuations.
- (b) Total pension liability calculated using an assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan.
- (c) Determination of the number of months or years for which the current market value of assets is adequate to sustain the payment of expected retirement benefits.
- (d) Recommended contribution to the Plan using the most recent valuation and the contributions necessary prepared pursuant to (a) and (b) stated as a dollar amount and % of payroll.

	2% Decrease (5.00%)	Actual Valuation Current Discount Rate (7.00%)	2% Increase (9.00%)
Total pension liability	\$217,521,446	\$177,505,125	\$148,635,431
Plan fiduciary net position	<u>(153,811,076)</u>	<u>(153,811,076)</u>	<u>(153,811,076)</u>
Net pension liability	<u>\$63,710,370</u>	<u>\$23,694,049</u>	<u>\$(5,175,645)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 70.71%	 86.65%	 103.48%
 Years of benefit payments:			
Expected for current members:	100	100	100
Paid for with current assets:	13.86	17.17	24.86
 Employer Plus Expected Employee Contributions			
Dollar Amount	\$11,318,942	\$7,046,801	\$3,555,076
Percent of Payroll	32.78%	20.41%	10.30%
 Increase (Decrease)	 \$4,272,140		 \$(3,491,726)

Required Disclosure Under F.S. 112.664(2)(b)2.

F.S. Section 112.664(2)(b)2. - For the previous five years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond and alternative investments in the plan portfolio.

Year Ending December 30,	2024	2023	2022	2021	2020
Net assumed rate of return	7.00%	7.00%	7.00%	7.25%	7.5%
Actual rate of return	12.74%	10.55%	(16.64%)	12.40%	16.41%
Percentages of assets in:					
Cash	(3%)	1%	2%	(2%)	1%
Equity	65%	61%	46%	54%	54%
Bond	32%	29%	34%	34%	33%
Alternative	6%	9%	18%	14%	12%
Total	100%	100%	100%	100%	100%

Section

4

Supplementary Information

Summary of Participant Data

Member Statistics

As of January 1,	2024	2025
<u>Active Participants</u>		
Number	588	560
Average Age	51.1	51.3
Average Credited Service	9.6	9.9
Percent Male	61.2	60.7
Average Valuation Salary	\$62,467	\$66,477
Total Valuation Salary (Year Ending as of Date)	\$36,730,866	\$37,226,956
Total Valuation Salary (Imputed)	\$39,764,344	\$40,320,195
Payroll Covered in Valuation	\$34,068,001	\$33,854,954
<u>Terminated with Rights to Deferred Benefits</u>		
Number	118	119
Average Age	54.8	55.1
Percent Male	51.7	50.4
Average Monthly Benefit	\$648	\$641
Annuities Inforce	\$918,089	\$914,824
<u>Service Retirements</u>		
Number	360	372
Average Age	72.9	73.1
Percent Male	70.8	72.0
Average Monthly Benefit	\$1,806	\$1,849
Annuities Inforce	\$7,801,329	\$8,254,385
<u>Beneficiaries</u>		
Number	64	72
Average Age	71.7	72.9
Percent Male	15.6	16.7
Average Monthly Benefit	\$764	\$798
Annuities Inforce	\$586,585	\$689,398
<u>Disability Retirements</u>		
Number	20	20
Average Age	62.0	62.3
Percent Male	60.0	55.0
Average Monthly Benefit	\$1,498	\$1,494
Annuities Inforce	\$359,556	\$358,584

FLA

FREIMAN LITTLE ACTUARIES

Number of Active Members by Age and Service as of January 1, 2025

Age	Service							Total
	< 1	< 5	< 10	< 15	< 20	< 25	25+	
< 25	1	7						8
< 30	2	9						11
< 35	3	15	5	1				24
< 40	4	15	9	11	1			40
< 45	2	16	18	14	7	1		58
< 50	3	27	14	19	9	6		78
< 55		34	29	14	8	7	4	96
< 60	3	21	12	32	10	14	16	108
< 65	2	18	15	13	18	10	12	88
< 70		5	8	12	3	4	4	36
70+	1	2	4	1	2	1	2	13
Total	21	169	114	117	58	43	38	560

Active Valuation Pay by Age and Service as of January 1, 2025

Age	Service							Total
	< 1	< 5	< 10	< 15	< 20	< 25	25+	
< 25	39,471	44,922						44,241
< 30	46,977	59,000						56,814
< 35	43,928	66,138	74,310	77,117				65,522
< 40	42,730	60,876	55,576	65,354	66,862			59,250
< 45	57,113	61,838	61,326	67,447	80,796	82,077		65,507
< 50	44,186	57,770	64,548	74,161	82,711	76,439		66,771
< 55		54,166	62,508	73,066	74,876	90,001	90,174	65,281
< 60	38,650	57,823	64,172	73,627	71,256	92,031	75,442	70,967
< 65	35,670	55,776	64,208	68,739	74,976	79,847	74,224	67,850
< 70		49,022	68,409	73,257	73,144	72,620	75,401	68,972
70+	68,308	47,708	63,085	78,763	93,012	74,071	78,981	70,222
Total	44,691	57,398	63,376	71,622	76,611	84,237	76,790	66,477

Reconciliation of Plan Participants

	Active	Terminated Vested	Retired	Beneficiary	Disabled	Total
As of January 1, 2024	588	118	360	64	20	1,150
Vested Terminations	(12)	12				0
Nonvested Terminations	(42)					(42)
Retired	(17)	(7)	24			0
Disabled	(1)	(1)			2	0
Deaths with Survivor	(2)		(7)	9		0
Deaths with No Survivor		(2)	(5)	(1)	(2)	(10)
New Hires	46	(1)				45
Correction						0
As of January 1, 2025	560	119	372	72	20	1,143

Outline of Plan Provisions

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by the Board of Trustees and the Palm Beach County Commission.

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the members of Amalgamated Transit Union Local 1577, who are members of the plan, and two members appointed by the Commission.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended.

Effective Date: Originally effective January 1, 1977. Amended and restated effective January 1, 2001. The following Amendments 1 through 14 were made prior to the plan amended and restated effective January 1, 2015.

Amendment No. 1 adopted June 26, 2003 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
01/01/2002	1.6 Earnings
09/06/2002	4.7 Unreduced Early Retirement
01/01/2003	4.16 Pension Benefit on Vested Deferred Retirement
05/22/2003	4.1 Pension Benefit Commencement Dates

Amendment No. 2 adopted November 29, 2005 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
11/29/2005	4.20 Supplemental Pension
11/29/2005	7.3 Ten (10) Year Certain and Life Annuity

Amendment No. 3 adopted May 24, 2007 amended Section 9.5, Assignability, effective January 1, 2007.

Amendment No. 4 adopted August 28, 2008 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
08/28/2008	1.2 Actuarial Present Value
05/25/2007	2.2 When Individuals Shall Become Participants
05/25/2007	3.2 Employee Contributions as a Condition of Participation
05/25/2007	4.16 Pension Benefit on Vested Deferred Retirement
05/25/2007	4.21 Death Benefit
05/25/2007	7.1 Normal Form
05/25/2007	7.2 Joint and Survivor Annuity

Amendment No. 4 provided for use of the assumptions from the most recent actuarial valuation of the Plan for use in determination of actuarial equivalence. In addition, whereas employee contributions were previously payable based on interest accumulation through the month preceding distribution to non-vested and vested terminations, Amendment No. 4 provided for the refund of employee contributions with no interest accumulated after May 25, 2007. In addition, the spouse of a member who died prior to age 55 may receive a refund of employee contributions with interest earned before May 25, 2007. The future monthly benefit payable to a vested member or to the spouse of a member who died prior to age

55 is then reduced actuarially for the payment received using the assumptions used in the most recent actuarial valuation of the Plan.

Amendment No. 5 adopted February 25, 2010 effective January 1, 2010 amended Section 4.21, Death Benefits, to indicate that the death benefit payable to a beneficiary of a Participant who dies on or after January 1, 2007 while performing Uniformed Services Employment and Reemployment Act (USERRA) Qualified Military Service is payable as if the Participant had resumed employment and then died while employed.

Amendment No. 6 adopted August 26, 2010 effective September 1, 2010 amended Section 4.17, Repayment of Refund, to indicate Participants who are involuntarily terminated from employment and receive a refund of contributions and are subsequently reinstated the Participant must repay to the plan the refund of contributions with interest at the rate of 5.0% annually within 60 months of the reinstatement. Upon repayment, Credited Service for the period for which contributions are being repaid is restored.

Amendment No. 7 adopted December 14, 2010 revised the definition of Normal Retirement to be age 65 with at least 5 years of Credited Service. Prior to this amendment Normal Retirement was defined to be age 65 with at least 5 years of participation.

Amendment No. 8 was adopted June 10, 2011. Prior to amendment the Plan contained a provision to refund a member their employee contributions if at least 10 years of service had been earned during employment. Employee contributions after December 31, 2011 are no longer refunded to retirees with at least 10 years of service under amendment 8.

Amendment No. 9 was adopted effective July 17, 2013. This amendment revised language regarding the maximum amount of retirement income payable under the Plan due to Internal Revenue Code (IRC) Section 415(b), minimum required distributions under IRC Section 401(a)(9), rollover distributions, and compensation limitations under IRC Section 401(a)(17).

Amendment No. 10 was adopted effective September 18, 2013. This amendment changed the provisions of the Plan significantly. The benefits payable to Participants who terminated employment with a deferred benefit payable at a future retirement date and Participants who retired from the Plan prior to October 1, 2013 are unchanged by this amendment. The eligibility to receive benefits and the amount of the benefit payable to Participants who were actively employed on October 1, 2013 depends on the Credited Service earned by a member as of a Participant's first anniversary date of employment occurring on or after October 1, 2013. There are four categories of Participants, as follows:

<u>Tier</u>	<u>Credited Service Determined as of First Anniversary On or After October 1, 2013</u>
Tier 1	Participants with 10 or more years of Credited Service
Tier 2	Participants with at least 5 but less than 10 years of Credited Service
Tier 3	Participants with less than 5 years of Credited Service
Tier 4	Those hired on or after October 1, 2013

This summary of Plan provisions uses the Tiers noted above to describe the benefits payable to each category of Participants.

Amendment No. 11 was adopted June 11, 2014 and effective February 25, 2014. This amendment changed the provisions of the Plan related to the treatment of members who return to work after retirement. The monthly benefit in payment status is continued for retired Participants who are reemployed after a bone fide retirement. They are considered new employees who accrue a second pension based on the provisions of Tier 4. The monthly benefit in payment status is suspended for retired Participants who are reemployed if there has not been a bone fide retirement. These fully vested participants accrue a second pension based on the Tier they were a part of during their prior period of employment.

Amendment No. 12 was adopted effective April 8, 2014. This amendment provides that the Trustees have the right to amend the Plan in whole or in part any or all provisions of the Plan to the extent provided by the Trust Agreement and the Collective Bargaining Agreement (CBA). Trustees may recommend changes to pension benefits and employee contributions but do not have the authority to implement such

changes without the approval of the Board of County Commissioners. Any amendments necessary to comply with federal or state law will be adopted by the Trustees.

Amendment No. 13 was adopted effective July 9, 2014. Effective April 20, 2014, Earnings excludes overtime pay in excess of 300 hours per calendar year. In addition, Earnings only includes payment for the number of CBA eligible unused accumulated hours of sick and vacation leave as of April 20, 2014.

Amendment No. 14 was adopted effective July 9, 2014. This amendment clarified that Final Average Salary is not defined based on W-2 earnings.

The Plan was amended and restated effective January 1, 2015. The following amendments were made after restatement:

Amendment No. 1 was adopted effective February 26, 2015 to add language indicating differential wage payments are added to definition of Compensation with respect to plan years beginning on or after December 31, 2008.

Prior to Amendment No. 2 the pension benefit commencement date was set as the first day of the calendar month after the latest of (a) termination and (b) 30 days after an application is made. Amendment No. 2 adopted effective December 17, 2015 to removed language such that no 30 day waiting period would be required. The pension benefit commencement date is set as the first day of the calendar month after the latest of (a) termination and (b) the application date.

Amendment No. 3 was adopted effective September 26, 2017. This amendment clarified that members who terminate vested with a deferred benefit may commence monthly benefits upon reaching their Unreduced Early Retirement Date. Additionally, an outdated reference to vesting at 5 years of Credited Service was eliminated from the section regarding Vested Deferred Retirement. A statement of no impact was issued May 25, 2017 as the language was amended to match current practice.

Amendment No. 4 was adopted effective June 6, 2019 to amend Section 1.12, such that the definition of hour of service during which no duties are performed removes references to incapacity (including disability) and military duty with respect to the limitation of granting no more than 501 hours of service for any single continuous period. In addition, Section 5.4 is modified with regard to credit for non-working periods to add language to clarify hours of service are granted for non-working periods due to disability (not more than 1 year) and military service (not more than 5 years) under this Section 5.4 notwithstanding the limitations of Section 1.12.

Amendment No. 5 was adopted effective March 24, 2021 regarding required minimum distributions at age 72.

Amendment No. 6 was adopted effective April 28, 2022 to state retirees may work part-time and still collect a pension.

Amendment No. 7 was adopted effective June 2, 2022 to modify death benefits to include domestic partners.

Amendment No. 8 effective October 1, 2022 was adopted December 5, 2024 to state the number of hours in the collective bargaining agreement that retirees may work part-time and still collect a pension.

Plan Year: The 12-month period beginning January 1st and ending December 31st.

Participant: Full-time employees become Participants in the Plan on the first day of full-time employment that is covered under the terms of a collective bargaining agreement between the Employer and the Amalgamated Transit Union Local Union No. 1577 or on the first day of full-time employment for any other employee of the Employer or Union for whom the Employer makes or is obligated to make contributions to this Plan.

Employer: Palm Beach County and Palm Tran, Inc., jointly.

Employer Contributions: Prior to October 1, 2014, the Employer made contributions to the Plan as specified in the collective bargaining agreement. Effective October 1, 2014, we understand the Employer will make the minimum required contribution as determined by the Plan actuary and approved by the Board.

Employee Contributions: Each Participant is required to make contributions to the Plan at the rate established in the collective bargaining agreement.

The contribution rate for Tier 4 (hired on or after October 1, 2013) is 3.0%.

For Participants who terminated or retired prior to October 1, 2013, historical contribution rates as a percentage of Earnings follow. These are the historical rates applicable to Tiers 1, 2, and 3.

<u>Calendar Year</u>	<u>Employee Contribution Rate</u>	<u>Calendar Year</u>	<u>Employee Contribution Rate</u>
1977	3.0%/2.0%	1986-1993	1.0%
1978-1982	2.0%	1994	1.0%/1.5%
1983	2.0%/3.0%	1995	1.5%/2.0%
1984	3.0%	1996	2.0%/2.5%
1985	3.0%/1.0%	1997-2013	2.5%

If hired prior to October 1, 2013 and still working on that date, the contribution rates are as follows:

<u>Effective</u>	<u>Rate</u>
through 9/30/2014	2.50%
10/1/2014-9/30/2015	2.75%
10/1/2015+	3.00%

A Participant who terminates non-vested is entitled to refund of accumulated Employee Contributions with no interest accumulation.

Employee Contributions are assumed to be deposited on the last day of a calendar year. Prior to 1988, Employee Contributions are accumulated with interest at a rate of 5% annually. For each year from 1988 through 2001, Employee Contributions are accumulated at 120% of the federal mid-term rate as of January 1, as shown below. Effective January 1, 2002, Employee Contributions are again accumulated at 5% per year. Members are eligible to receive a refund of employee contributions with interest earned before May 25, 2007.

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
1988	10.61%	1993	7.63%	1998	7.13%
1989	11.11%	1994	6.40%	1999	5.59%
1990	9.57%	1995	9.54%	2000	7.47%
1991	9.78%	1996	6.89%	2001	6.75%
1992	8.10%	1997	7.34%		

Contributions may be repaid with interest upon reentry into the Plan due to rehire.

Credited Service: A Participant is credited with Credited Service for each 12 consecutive month period beginning with the date of hire and the anniversary of hire thereafter as follows:

<u>Hours</u>	<u>Credited Service</u>
<250	0.00
<500	0.25
<750	0.50
<1000	0.75
1000+	1.00



Participants receive up to one year of Credited Service for periods of absence from work due to disability. Such Credited Service is granted based on a 40 hour work week.

Credited Service is also granted for certain Military Service.

Amendment No. 10 revised the provisions of the Plan significantly where Tiers 2 and 3 have a different multiplier for Credited Service earned by a member as of a Participant's first anniversary date of employment occurring on or after October 1, 2013 (hereinafter referred to as "Pre 2013 Service") and Credited Service earned by a member after the first anniversary date of employment occurring on or after October 1, 2013 (hereinafter referred to as "Post 2013 Service").

Vesting: Effective January 1, 1989, 100% upon the completion of 5 years of Credited Service or attainment of the Normal Retirement Date, if earlier. Participants hired on or after October 1, 2013 become 100% vested upon completion of 8 years of Credited Service.

Vested Participants who terminate employment prior to being eligible to receive an annuity may begin receipt of benefits once they meet eligibility conditions as defined for either the Normal Retirement Benefit, Early Retirement Benefit, or the Unreduced Early Retirement Benefit.

Further, Participants who terminate at least six months prior to the commencement of monthly benefits under the Plan may elect to receive a refund of accumulated Employee Contributions with interest earned before May 25, 2007 (or an actuarially equivalent immediate annuity). If a distribution of accumulated Employee Contributions with interest earned before May 25, 2007 is elected, the Accrued Benefit payable once benefits commence is actuarially reduced to reflect the distribution of that portion of the Accrued Benefit derived from Employee Contributions with interest earned before May 25, 2007.

Earnings: Actual annual gross compensation inclusive of tax deferred or tax exempt items paid to a Participant by the Employer or Union. Effective April 20, 2014, Earnings excludes overtime pay in excess of 300 hours per calendar year. In addition, Earnings only includes payment for the number of CBA eligible unused accumulated hours of sick and vacation leave as of April 20, 2014.

Final Average Salary: For Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 and Tier 2 Participants, the Average of Earnings for the three highest years.

For Tier 3 Participants, the Average of Earnings for the five highest years.

For Tier 4 Participants, the Average of Earnings for the eight highest years.

Accrued Benefit: The following formulas are used to determine the Accrued Benefit payable under the terms of the Plan.

For Tier 1 and for Participants who terminated employment or retired before October 1, 2013, the Accrued Benefit is defined as follows:

$$2.5\% \times 3\text{-Year Final Average Salary (FAS)} \times \text{Credited Service up to 25 years}$$

The formula is revised for Tiers 2, 3 and 4. For each of these tiers, the 25 year Credited Service cap is removed and the Accrued Benefit is limited to 62.5% of FAS.

The Accrued Benefit is defined as follows for Tier 2:

$$(2.5\% \times \text{Pre 2013 Service} + 2.0\% \times \text{Post 2013 Service}) \times 3\text{-Year FAS}$$

The Accrued Benefit is defined as follows for Tier 3:

$$(2.5\% \times \text{Pre 2013 Service} + 1.6\% \times \text{Post 2013 Service}) \times 5\text{-Year FAS}$$

For Tier 3, the Accrued Benefit is not less than that accrued as of September 30, 2013 based on the formula for Tier 1. The Accrued Benefit at September 30, 2013 is determined using Credited Service at September 30, 2013. For purposes of calculating the Accrued Benefit at September 30, 2013, the 3-Year FAS for any Tier 3 Participants with less than 3 years of Credited Service at September 30, 2013 is determined as the sum of all earnings received as of September 30, 2013 divided by Credited Service at September 30, 2013.

The Accrued Benefit is defined as follows for Tier 4:

$$1.6\% \times 8\text{-Year FAS} \times \text{Credited Service}$$

The Accrued Benefit is payable in the form of a life only annuity.

Supplemental Pension: Participants who retire directly from active service at age 60 or later with at least 10 years of Credited Service with an Early Retirement Benefit, Unreduced Early Retirement Benefit, Rule of 85 Pension, or Disability Retirement Benefit are due an additional \$200 per month payable as a temporary life annuity to their age 65. However, in the event a Participant retires under the Rule of 85 Pension and has not yet reached age 60 at retirement the Supplemental Pension commences on the first of the month coincident with or next following attainment of age 60.

Minimum Benefit: Participants who were actively employed on January 1, 1989 and have at least 10 years of Credited Service upon retirement receive an Accrued Benefit payable in the form of a modified cash refund annuity which is not less than \$5,362 annually. In addition, Participants with at least 5 years of Credited Service as of January 1, 1989 and who retire with less than 10 years of Credited Service receive an Accrued Benefit payable in the form of a modified cash refund annuity which is not less than \$4,468 annually.

Currently the Accrued Benefit for all active Members who were actively employed on January 1, 1989 is higher than \$5,362 annually.

Normal Retirement Date: For Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 Participants, the first day of the month coincident with or next following the later of age 65 and five years of Credited Service.

Additionally, the Normal Retirement Date is upon earning 33 years of Credited Service, if earlier than age 65 and five years of Credited Service for Tier 2 and Tier 3.

For Tier 4, the first day of the month coincident with or next following the later of age 65 and eight years of Credited Service.

Normal Retirement Benefit: The Accrued Benefit.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions with interest earned before May 25, 2007.

Early Retirement Date: First day of any month within the 10 year period immediately preceding the Normal Retirement Date after earning at least 10 years of Credited Service.

Early Retirement Benefit: The Accrued Benefit reduced for early commencement, as follows, plus the Supplemental Pension payable to age 65:

<u>Tier</u>	<u>Termination</u>	<u>Early Retirement Reduction</u>
Tier 1	10/1/13+	6% each year prior to age 60
Tiers 2-4	10/1/13+	6% each year prior to age 62
	1996 to 10/1/2013	6% each year prior to age 60
	Prior to 1996	3% each year from 62 down to 60 plus 6% each year prior to age 60
	Prior to 1987	3% each year from 65 down to 60 plus 6% each year prior to age 60

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011,

without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions.

Unreduced Early Retirement Date: First day of the month coincident with or next following the following eligibility requirements:

<u>Tier</u>	<u>Hire</u>	<u>Termination</u>	<u>Eligibility Requirement</u>
Tier 1	< 9/6/2002	10/1/2013+	62 and 5 years of Credited Service
Tier 1	Any	10/1/2013+	60 and 10 years of Credited Service
Tier 2-4	Any	10/1/2013+	62 and 10 years of Credited Service

In other words, Tier 1 employees hired by September 6, 2002 are eligible for Unreduced Early Retirement at the earlier of age 62 with 5 years of Credited Service and age 60 with 10 years of Credited Service.

Unreduced Early Retirement Benefit: The Accrued Benefit unreduced for early commencement, plus the Supplemental Pension payable to age 65.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions.

Rule of 85 Pension: Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 Participants may retire from active service on the first day of the month coincident with or next following the date on which the sum of this attained age and years of Credited Service equal 85 with a benefit as defined under the Unreduced Early Retirement Benefit.

There is no Rule of 85 Pension available for Tiers 2, 3 and 4.

Late Retirement Benefit: The benefit payable for Participants who retire from active service subsequent to the Normal Retirement Date is determined as defined for the Accrued Benefit using Credited Service and Earnings through the actual date of retirement. In addition, the resulting amount is increased 1% for each of the first 60 months benefit commencement follows the Normal Retirement Date, plus 1.5% for each month thereafter.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest.

Disability Retirement Benefit: For Participants who have completed at least 10 years of Credited Service, the Accrued Benefit is payable with no reduction for commencement prior the Normal Retirement Date. This benefit is payable commencing on the first day of the month coincident with or next following the Board of Trustees' determination that the Participant is totally and permanently disabled. In addition, the Supplemental Pension is payable to age 65. The Disability Retirement Benefit is offset by benefits received under any other disability plan funded by the Employer.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions with interest earned before May 25, 2007 at the time of termination of employment prior to retirement eligibility.

Death Benefits: The beneficiary of a non-vested or unmarried Participant who dies before having retired is due a refund of accumulated Employee Contributions with interest earned before May 25, 2007.

The beneficiary of a vested, married Participant who dies before having retired is eligible to receive a refund of accumulated Employee Contributions with interest earned before May 25, 2007 and an actuarially reduced pre-retirement joint and survivor annuity based on the assumption that the Participant retired the day before death.

The beneficiary of a Participant who dies while in active service after having earned 10 years of Credited Service receives a lump sum benefit of \$5,000. The beneficiary of a retired Participant receives a lump sum benefit of \$7,500.

Optional Forms of Benefit: The normal form of benefit payment for an unmarried Participant is a modified cash refund annuity. This is a life only annuity where the excess of the Employee Contributions accumulated with interest earned before May 25, 2007 over the total sum of pension benefits received is paid to the designated beneficiary in a single sum.

The normal form of benefit payment for a married participant is an adjusted 50% joint and survivor annuity.

Participants may optionally choose an "actuarially equivalent" single life annuity, 10 year certain and life annuity, joint and survivor annuity (with 50%, 66 2/3, or 100% continuance).

The following percentages are used to adjust the life only normal form of benefit to the joint and survivor annuity forms.

<u>J&S</u> <u>Continuation</u> <u>Percentage</u>	<u>Healthy Life</u> <u>Initial Adjustment</u> <u>Percentage</u>	<u>Disabled Life</u> <u>Initial Adjustment</u> <u>Percentage</u>	<u>Plus/Minus</u> <u>Full Years</u> <u>Beneficiary</u> <u>Older/Younger</u>
50%	88.0%	77.5%	0.4%
66-2/3%	85.5%	72.0%	0.5%
100%	79.0%	63.0%	0.6%

In no event is the percentage to be greater than 99%.

Actuarial Equivalence: Actuarial Equivalence is determined using the assumptions used in the most recent actuarial valuation of the Plan. Factors shown above for optional forms of benefit are not based on this definition of Actuarial Equivalence.

Description of Assumptions and Methods

Assumed Net Rate of Investment Return: 7.0% per year

Salary Increase – Individual: 12.5% the first eight years, 5.0% thereafter. Salary is imputed using the individual salary increase assumption and the prior calendar year Plan compensation, annualized for those hired during the year, but not less than the compensation used in the prior actuarial valuation.

Aggregate Payroll Growth: A 2.0% aggregate payroll growth assumption is used to amortize unfunded accrued liability as a level percent of payroll.

Accrued Leave Payout: Liabilities are increased 1% for Tiers 1, 2 and 3 to account for payouts of accumulated unused hours of vacation and sick leave at retirement.

Administrative Expenses: Prior year's actual expenses added to Normal Cost

Mortality: Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for not special risk and not school instructional personnel, as follows:

The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

The following sex distinct table was used with no mortality improvement assumed:

Disabled Retiree: PubG.H-2010 (male and female set forward 3 years)

Retirement: Tier 1 Members with at least 10 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 62 and 64. Members with at least 5 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 65 and 68. Tier 1 Members who are age 69 or have met the Rule of 85 are assumed to retire immediately.

Tier 2 and 3 Members are assumed to retire at the earliest of 65 with 5 years of service, age 62 with 10 years of service, or at 33 years of service regardless of age. Tier 4 Members are assumed to retire at the earliest of 65 with 8 years of service or 62 with 10 years of service.

Termination: Unisex rates of termination are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	14.00%	5	4.50%	10	3.60%	15	3.10%
1	8.50%	6	4.00%	11	3.50%	16	3.00%
2	7.50%	7	3.90%	12	3.40%	17	2.25%
3	6.50%	8	3.80%	13	3.30%	18	1.50%
4	5.50%	9	3.70%	14	3.20%	19	1.50%
						>=20	0.00%

Disability: Unisex rates of disability are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
<=19	0.00%	30	0.01%	41	0.03%	52	0.45%
20	0.01%	31	0.01%	42	0.03%	53	0.55%
21	0.01%	32	0.01%	43	0.04%	54	0.55%
22	0.01%	33	0.01%	44	0.04%	55	0.55%
23	0.01%	34	0.01%	45	0.05%	56	0.55%
24	0.01%	35	0.02%	46	0.05%	57	0.55%
25	0.01%	36	0.02%	47	0.06%	58	0.40%
26	0.01%	37	0.02%	48	0.15%	59	0.25%
27	0.01%	38	0.02%	49	0.20%	60	0.15%
28	0.01%	39	0.02%	50	0.25%	61	0.05%
29	0.01%	40	0.02%	51	0.35%	>=62	0.00%

Form of Payment: Single members are paid a modified cash refund annuity which is valued as if they are in receipt of a 4-year certain and continuous annuity. Married members are assumed to be paid under the 50% joint and survivor form of benefit.

Marital Assumption: Members are assumed to be married while in active service according to the following percentages.

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
15-24	33%	37%	50-54	76%	64%
25-29	59%	65%	55-59	77%	58%
30-34	65%	62%	60-64	74%	50%
35-39	71%	64%	65-69	70%	23%
40-44	71%	63%	>=70	63%	15%
45-49	73%	61%			

Funding Method: Entry Age Normal (level percent of salary).

A description of the funding method is found on the next page entitled "Glossary of Actuarial Terms."

Glossary of Actuarial Terms

Present Value of Benefits (PVB): The present value, as of the valuation date, of all benefits that will become payable by the Plan for the current group of members in the census.

Normal Cost (NC): Under the Individual Entry Age Normal Cost Method, the annual normal cost for each individual active member is determined as the amount, from the date of employment to the date of retirement, sufficient to accumulate the value of the member's benefit at the time of retirement. The annual normal cost is a constant percentage of the member's projected covered pay.

Accrued Liability (AL): This is the portion of the PVB attributable to the past at the valuation date. For active members, AL is the annual NC accumulated from date of entry to the valuation date for each member. For retired and terminated members, the PVB and the AL are equal. The AL is the estimated liability owed by the pension fund at the valuation date.

Unfunded Accrued Liability (UAL): Any excess of the Accrued Liability over the fund assets. A negative UAL indicates fund assets are greater than the Accrued Liability, otherwise known as a surplus. Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Actuarial Value of Assets: The value of assets used in the actuarial valuation of the Plan which is compared to the AL to determine the UAL and minimum funding requirements. A method may be used to smooth out short term volatility in the fair market value of assets. In this valuation, the Actuarial Value of Assets has been calculated to smooth out unexpected fluctuations in the fair market value of assets over a 5-year period.



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Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan

GASB 67 Supplement
As of December 31, 2024





May 24, 2025

Board of Trustees
Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan
West Palm Beach, Florida

RE: GASB 67 Supplement as of December 31, 2024

Dear Board Members:

We are pleased to present the Governmental Accounting Standards Board Statement No. 67 (GASB 67) Supplement as of December 31, 2024 for the Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan (the Plan). This report is a supplement to the January 1, 2025 actuarial valuation report. Please review that report for information relating to reconciliations to prior year results, risk assessments, and other information.

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.

This report provides information required to be disclosed under GASB 67 as described in the statement and the implementation guide. The relevant dates are as follows:

GASB 67	
Valuation Date	01/01/2025
Measurement Date	12/31/2024
Reporting Date	12/31/2024

Please let us know if you have any questions or need additional information

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad M. Little'.

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619

A handwritten signature in black ink, appearing to read 'Paula C. Freiman'.

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

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Statement of Fiduciary Net Position

As of December 31,	2024	2023
Assets		
Receivables:		
Interest and dividends	\$254,498	\$205,769
Employees	62,870	0
Pending trades receivable	<u>0</u>	<u>41,034</u>
Total receivables	<u>317,368</u>	<u>246,803</u>
Investments, at fair value:		
Money market funds	8,340,949	1,680,344
US government obligations	14,938,956	7,766,535
Asset-backed securities	2,850,358	7,484,123
Corporate obligations	5,310,845	2,178,418
Fixed income mutual funds	26,116,271	23,327,537
International equity securities	875,998	1,252,085
Domestic equity securities	2,433,694	12,644,783
Equity mutual funds	39,436,927	41,611,729
Stock index fund	55,854,558	28,658,554
Commingled real estate funds	<u>9,404,486</u>	<u>11,921,057</u>
Total investments	<u>165,563,042</u>	<u>138,525,165</u>
Total assets	<u>165,880,410</u>	<u>138,771,968</u>
Liabilities		
Accounts payable	115,762	74,494
Pending trades payable	5,887,510	44,616
Prepaid employer contributions	<u>6,066,062</u>	<u>0</u>
Total liabilities	<u>12,069,334</u>	<u>119,110</u>
Net position restricted for pensions	<u>\$153,811,076</u>	<u>\$138,652,858</u>

Statement of Changes in Fiduciary Net Position

As of December 31,	2024	2023
Additions		
Contributions:		
Employer	\$6,054,703	\$6,189,910
Employees	<u>1,234,177</u>	<u>1,049,253</u>
Total contributions	7,288,880	7,239,163
Investment income (loss):		
Net appreciation in fair value of investments	14,620,263	10,926,425
Interest and dividends	3,212,887	2,863,673
Other income	<u>8,372</u>	<u>14,866</u>
Total investment income	17,841,522	13,804,964
Less investment expenses:		
Investment expense	<u>330,636</u>	<u>467,452</u>
Net investment income	<u>17,510,886</u>	<u>13,337,512</u>
Total additions	<u>24,799,766</u>	<u>20,576,675</u>
Deductions		
Benefit payments	8,928,974	8,536,358
Refunds of contributions	417,247	585,618
Administrative expenses	<u>295,327</u>	<u>248,036</u>
Total deductions	<u>9,641,548</u>	<u>9,370,012</u>
Net increase in net position	15,158,218	11,206,663
Net position restricted for pensions		
Beginning of year	<u>138,652,858</u>	<u>127,446,195</u>
End of year	<u>\$153,811,076</u>	<u>\$138,652,858</u>

Net Pension Liability

The total pension liability under GASB 67 is based on the January 1, 2025 actuarial valuation which used the following actuarial assumptions applied to all periods included in the measurement.

Inflation: 2.0% (in comparison to that assumed by the investment monitor, below, of 2.5%)

Salary increases: 5% to 12.5% per year

Investment rate of return: 7.0% net of investment expense, including inflation

Mortality: The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

The following sex distinct table was used with no mortality improvement assumed:

Disabled Retiree: PubG.H-2010 (male and female set forward 3 years)

See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the total pension liability. Assumptions are based on the results of a five-year actuarial experience study performed as of January 1, 2018.

The long-term expected net rate of return on investments was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown in the following table. Note, however, that long-term expected net rates of return for actuarial valuations should be compared to geometric returns.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Group Contribution
Domestic Equity	45.0%	8.3%	3.8%
Int'l Equity	15.0%	3.2%	0.5%
Bonds	25.0%	2.1%	0.5%
Convertibles	5.0%	6.6%	0.3%
Private Real Estate	8.0%	5.5%	0.4%
Cash	2.0%	0.0%	0.0%
		Weighted Real Return	5.5%

The weighted real return based on the arithmetic expected returns supplied by the investment monitor plus the 2.5% inflation assumption used by the investment monitor is 8.0%. In comparison, the discount rate used to measure the total pension liability was 7.0%. This is the single rate that reflects the long-term expected rate of return on pension plan investments expected to be used to finance the payment of

benefits. A projection of cash flows used to determine the discount rate assumed that plan member contributions are made at the current contribution rate and that County contributions will be made equal to the difference between the actuarially determined contribution and the member contributions. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments to determine the total pension liability. For purposes of this determination we understand pension plan assets are expected to be invested using a strategy to achieve the discount rate.

The measurement date for GASB 67 is December 31, 2024.

The total pension liability used to calculate the net pension liability as of December 31, 2024 was determined by an actuarial valuation as of January 1, 2025.

The components of the net pension liability at December 31, 2024 were as follows:

Total pension liability	177,505,125
Plan fiduciary net position	<u>(153,811,076)</u>
Net pension liability	<u>23,694,049</u>
Plan fiduciary net position as a percentage of the total pension liability	86.65%

Sensitivity of the net pension liability to changes in the discount rate follows.

	1% Decrease <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Net pension liability	41,994,014	23,694,049	8,143,058

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	4,403,454	4,295,336	4,461,980	4,348,404	4,130,151	4,040,432	4,022,548	3,657,542	3,614,568	3,699,372
Interest	11,990,036	11,544,317	11,183,833	10,912,701	10,597,228	10,357,277	10,013,496	9,655,384	9,070,466	8,602,255
Changes of benefit terms	0	0	0	0	0	0	0	0	0	0
Differences between expected and actual experience	(1,567,457)	(277,451)	(1,431,145)	(1,534,186)	(1,369,424)	(1,085,883)	(1,801,094)	(2,489,675)	260,004	(2,653,460)
Changes of assumptions	0	0	0	3,815,456	3,572,156	1,674,262	3,193,461	(523,606)	0	1,585,562
Benefit payments, including refunds of member contributions	<u>(9,346,221)</u>	<u>(9,121,976)</u>	<u>(8,572,850)</u>	<u>(8,241,414)</u>	<u>(7,606,438)</u>	<u>(7,205,264)</u>	<u>(6,625,328)</u>	<u>(5,898,029)</u>	<u>(5,467,344)</u>	<u>(5,009,083)</u>
Net change in total pension liability	5,479,812	6,440,226	5,641,818	9,300,961	9,323,673	7,780,824	8,803,083	4,401,616	7,477,694	6,224,646
Total pension liability - beginning	<u>172,025,313</u>	<u>165,585,087</u>	<u>159,943,269</u>	<u>150,642,308</u>	<u>141,318,635</u>	<u>133,537,811</u>	<u>124,734,728</u>	<u>120,333,112</u>	<u>112,855,418</u>	<u>106,630,772</u>
Total pension liability - ending (a)	177,505,125	172,025,313	165,585,087	159,943,269	150,642,308	141,318,635	133,537,811	124,734,728	120,333,112	112,855,418
Plan fiduciary net position										
Contributions - employer	6,054,703	6,189,910	6,390,895	6,268,796	6,338,056	5,809,852	5,509,648	5,421,844	5,589,705	5,215,491
Contributions - employee	1,234,177	1,049,253	1,012,503	987,691	976,061	943,170	923,986	912,362	867,999	777,273
Net investment income	17,510,886	13,337,512	(25,591,793)	17,116,840	19,587,534	19,052,799	(4,414,367)	12,590,071	5,754,084	(1,839,676)
Benefit payments, including refunds of member contributions	(9,346,221)	(9,121,976)	(8,572,850)	(8,241,414)	(7,606,438)	(7,205,264)	(6,625,328)	(5,898,029)	(5,467,344)	(5,009,083)
Administrative expense	(295,327)	(248,036)	(312,967)	(287,715)	(277,662)	(276,527)	(372,153)	(213,695)	(157,019)	(182,444)
Other	0	0	0	0	0	0	0	0	0	0
Net change in plan fiduciary net position	15,158,218	11,206,663	(27,074,212)	15,844,198	19,017,551	18,324,030	(4,978,214)	12,812,553	6,587,425	(1,038,439)
Plan fiduciary net position - beginning	<u>138,652,858</u>	<u>127,446,195</u>	<u>154,520,407</u>	<u>138,676,209</u>	<u>119,658,658</u>	<u>101,334,628</u>	<u>106,312,842</u>	<u>93,500,289</u>	<u>86,912,864</u>	<u>87,951,303</u>
Plan fiduciary net position - ending (b)	153,811,076	138,652,858	127,446,195	154,520,407	138,676,209	119,658,658	101,334,628	106,312,842	93,500,289	86,912,864
Net pension liability - ending (a) - (b)	23,694,049	33,372,455	38,138,892	5,422,862	11,966,099	21,659,977	32,203,183	18,421,886	26,832,823	25,942,554
Plan fiduciary net position as a % of the total pension liability	86.65 %	80.60 %	76.97 %	96.61 %	92.06 %	84.67 %	75.88 %	85.23 %	77.70 %	77.01 %
Covered employee payroll	37,644,012	36,250,347	33,641,561	32,799,623	32,525,195	31,395,399	30,674,568	30,402,375	30,061,310	27,512,115
Net pension liability as a % of covered employee payroll	62.94 %	92.06 %	113.37 %	16.53 %	36.79 %	68.99 %	104.98 %	60.59 %	89.26 %	94.30 %

Schedule of Contributions

Year Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution*	\$6,054,703	\$6,189,910	\$6,390,895	\$6,268,796	\$6,338,056	\$5,809,852	\$5,509,648	\$5,421,844	\$5,482,364	\$5,123,999
Contributions in relation to the actuarially determined contribution*	<u>6,054,703</u>	<u>6,189,910</u>	<u>6,390,895</u>	<u>6,268,796</u>	<u>6,338,056</u>	<u>5,809,852</u>	<u>5,509,648</u>	<u>5,421,844</u>	<u>5,589,705</u>	<u>5,215,491</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$(107,341)</u>	<u>\$(91,492)</u>							
Covered employee payroll	\$37,644,012	\$36,250,347	\$33,641,561	\$32,799,623	\$32,525,195	\$31,395,399	\$30,674,568	\$30,402,375	\$30,061,310	\$27,512,115
Actuarially determined contribution as a percentage of covered-employee payroll	16.1 %	17.1 %	19.0 %	19.1 %	19.5 %	18.5 %	18.0 %	17.8 %	18.2 %	18.6 %
Actual contributions as a percentage of covered-employee payroll	16.1 %	17.1 %	19.0 %	19.1 %	19.5 %	18.5 %	18.0 %	17.8 %	18.6 %	19.0 %

Notes to Schedule

Methods and assumptions used for the January 1, 2023 actuarial valuation which determined required contributions for the year ending December 31, 2024:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	New amortization bases are set up over 25 years
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	5% to 12.5%, including inflation
Investment rate of return	7.0% net of investment expenses, including inflation
Retirement age	See "Description of Assumptions and Methods" for the assumed retirement age assumption
Mortality	See "Description of Assumptions and Methods" for the mortality assumption

*Payments for accrued deficits are interpreted to be Separately Financed Liabilities.

Schedule of Investment Returns

The following is as provided by the investment monitor.

Year Ending December 31,	Annual money-weighted rate of return net of investment expense
2024	12.5 %
2023	10.4 %
2022	(16.3)%
2021	12.3 %
2020	16.4 %
2019	18.9 %
2018	(4.0)%
2017	14.0 %
2016	7.4 %
2015	(1.6)%

Plan Membership Statistics

Valuation as of January 1,	2025	2024
Inactive members or beneficiaries receiving benefits	464	444
Inactive members entitled to but not yet receiving benefits	119	118
Active members	<u>560</u>	<u>588</u>
Total	<u>1,143</u>	<u>1,150</u>

Plan Description

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by the Board of Trustees and the Palm Beach County Commission.

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the members of Amalgamated Transit Union Local 1577, who are members of the plan, and two members appointed by the Commission.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended.

Effective Date: Originally effective January 1, 1977. Amended and restated effective January 1, 2001. The following Amendments 1 through 14 were made prior to the plan amended and restated effective January 1, 2015.

Amendment No. 1 adopted June 26, 2003 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
01/01/2002	1.6 Earnings
09/06/2002	4.7 Unreduced Early Retirement
01/01/2003	4.16 Pension Benefit on Vested Deferred Retirement
05/22/2003	4.1 Pension Benefit Commencement Dates

Amendment No. 2 adopted November 29, 2005 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
11/29/2005	4.20 Supplemental Pension
11/29/2005	7.3 Ten (10) Year Certain and Life Annuity

Amendment No. 3 adopted May 24, 2007 amended Section 9.5, Assignability, effective January 1, 2007.

Amendment No. 4 adopted August 28, 2008 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
08/28/2008	1.2 Actuarial Present Value
05/25/2007	2.2 When Individuals Shall Become Participants
05/25/2007	3.2 Employee Contributions as a Condition of Participation
05/25/2007	4.16 Pension Benefit on Vested Deferred Retirement
05/25/2007	4.21 Death Benefit
05/25/2007	7.1 Normal Form
05/25/2007	7.2 Joint and Survivor Annuity

Amendment No. 4 provided for use of the assumptions from the most recent actuarial valuation of the Plan for use in determination of actuarial equivalence. In addition, whereas employee contributions were previously payable based on interest accumulation through the month preceding distribution to non-vested and vested terminations, Amendment No. 4 provided for the refund of employee contributions with no interest accumulated after May 25, 2007. In addition, the spouse of a member who died prior to age 55 may receive a refund of employee contributions with interest earned before May 25, 2007. The future monthly benefit payable to a vested member or to the spouse of a member who died prior to age

55 is then reduced actuarially for the payment received using the assumptions used in the most recent actuarial valuation of the Plan.

Amendment No. 5 adopted February 25, 2010 effective January 1, 2010 amended Section 4.21, Death Benefits, to indicate that the death benefit payable to a beneficiary of a Participant who dies on or after January 1, 2007 while performing Uniformed Services Employment and Reemployment Act (USERRA) Qualified Military Service is payable as if the Participant had resumed employment and then died while employed.

Amendment No. 6 adopted August 26, 2010 effective September 1, 2010 amended Section 4.17, Repayment of Refund, to indicate Participants who are involuntarily terminated from employment and receive a refund of contributions and are subsequently reinstated the Participant must repay to the plan the refund of contributions with interest at the rate of 5.0% annually within 60 months of the reinstatement. Upon repayment, Credited Service for the period for which contributions are being repaid is restored.

Amendment No. 7 adopted December 14, 2010 revised the definition of Normal Retirement to be age 65 with at least 5 years of Credited Service. Prior to this amendment Normal Retirement was defined to be age 65 with at least 5 years of participation.

Amendment No. 8 was adopted June 10, 2011. Prior to amendment the Plan contained a provision to refund a member their employee contributions if at least 10 years of service had been earned during employment. Employee contributions after December 31, 2011 are no longer refunded to retirees with at least 10 years of service under amendment 8.

Amendment No. 9 was adopted effective July 17, 2013. This amendment revised language regarding the maximum amount of retirement income payable under the Plan due to Internal Revenue Code (IRC) Section 415(b), minimum required distributions under IRC Section 401(a)(9), rollover distributions, and compensation limitations under IRC Section 401(a)(17).

Amendment No. 10 was adopted effective September 18, 2013. This amendment changed the provisions of the Plan significantly. The benefits payable to Participants who terminated employment with a deferred benefit payable at a future retirement date and Participants who retired from the Plan prior to October 1, 2013 are unchanged by this amendment. The eligibility to receive benefits and the amount of the benefit payable to Participants who were actively employed on October 1, 2013 depends on the Credited Service earned by a member as of a Participant's first anniversary date of employment occurring on or after October 1, 2013. There are four categories of Participants, as follows:

<u>Tier</u>	<u>Credited Service Determined as of First Anniversary On or After October 1, 2013</u>
Tier 1	Participants with 10 or more years of Credited Service
Tier 2	Participants with at least 5 but less than 10 years of Credited Service
Tier 3	Participants with less than 5 years of Credited Service
Tier 4	Those hired on or after October 1, 2013

This summary of Plan provisions uses the Tiers noted above to describe the benefits payable to each category of Participants.

Amendment No. 11 was adopted June 11, 2014 and effective February 25, 2014. This amendment changed the provisions of the Plan related to the treatment of members who return to work after retirement. The monthly benefit in payment status is continued for retired Participants who are reemployed after a bone fide retirement. They are considered new employees who accrue a second pension based on the provisions of Tier 4. The monthly benefit in payment status is suspended for retired Participants who are reemployed if there has not been a bone fide retirement. These fully vested participants accrue a second pension based on the Tier they were a part of during their prior period of employment.

Amendment No. 12 was adopted effective April 8, 2014. This amendment provides that the Trustees have the right to amend the Plan in whole or in part any or all provisions of the Plan to the extent provided by the Trust Agreement and the Collective Bargaining Agreement (CBA). Trustees may recommend changes to pension benefits and employee contributions but do not have the authority to implement such

changes without the approval of the Board of County Commissioners. Any amendments necessary to comply with federal or state law will be adopted by the Trustees.

Amendment No. 13 was adopted effective July 9, 2014. Effective April 20, 2014, Earnings excludes overtime pay in excess of 300 hours per calendar year. In addition, Earnings only includes payment for the number of CBA eligible unused accumulated hours of sick and vacation leave as of April 20, 2014.

Amendment No. 14 was adopted effective July 9, 2014. This amendment clarified that Final Average Salary is not defined based on W-2 earnings.

The Plan was amended and restated effective January 1, 2015. The following amendments were made after restatement:

Amendment No. 1 was adopted effective February 26, 2015 to add language indicating differential wage payments are added to definition of Compensation with respect to plan years beginning on or after December 31, 2008.

Prior to Amendment No. 2 the pension benefit commencement date was set as the first day of the calendar month after the latest of (a) termination and (b) 30 days after an application is made. Amendment No. 2 adopted effective December 17, 2015 to removed language such that no 30 day waiting period would be required. The pension benefit commencement date is set as the first day of the calendar month after the latest of (a) termination and (b) the application date.

Amendment No. 3 was adopted effective September 26, 2017. This amendment clarified that members who terminate vested with a deferred benefit may commence monthly benefits upon reaching their Unreduced Early Retirement Date. Additionally, an outdated reference to vesting at 5 years of Credited Service was eliminated from the section regarding Vested Deferred Retirement. A statement of no impact was issued May 25, 2017 as the language was amended to match current practice.

Amendment No. 4 was adopted effective June 6, 2019 to amend Section 1.12, such that the definition of hour of service during which no duties are performed removes references to incapacity (including disability) and military duty with respect to the limitation of granting no more than 501 hours of service for any single continuous period. In addition, Section 5.4 is modified with regard to credit for non-working periods to add language to clarify hours of service are granted for non-working periods due to disability (not more than 1 year) and military service (not more than 5 years) under this Section 5.4 notwithstanding the limitations of Section 1.12.

Amendment No. 5 was adopted effective March 24, 2021 regarding required minimum distributions at age 72.

Amendment No. 6 was adopted effective April 28, 2022 to state retirees may work part-time and still collect a pension.

Amendment No. 7 was adopted effective June 2, 2022 to modify death benefits to include domestic partners.

Amendment No. 8 effective October 1, 2022 was adopted December 5, 2024 to state the number of hours in the collective bargaining agreement that retirees may work part-time and still collect a pension.

Plan Year: The 12-month period beginning January 1st and ending December 31st.

Participant: Full-time employees become Participants in the Plan on the first day of full-time employment that is covered under the terms of a collective bargaining agreement between the Employer and the Amalgamated Transit Union Local Union No. 1577 or on the first day of full-time employment for any other employee of the Employer or Union for whom the Employer makes or is obligated to make contributions to this Plan.

Employer: Palm Beach County and Palm Tran, Inc., jointly.

Employer Contributions: Prior to October 1, 2014, the Employer made contributions to the Plan as specified in the collective bargaining agreement. Effective October 1, 2014, we understand the Employer will make the minimum required contribution as determined by the Plan actuary and approved by the Board.

Employee Contributions: Each Participant is required to make contributions to the Plan at the rate established in the collective bargaining agreement.

The contribution rate for Tier 4 (hired on or after October 1, 2013) is 3.0%.

For Participants who terminated or retired prior to October 1, 2013, historical contribution rates as a percentage of Earnings follow. These are the historical rates applicable to Tiers 1, 2, and 3.

<u>Calendar Year</u>	<u>Employee Contribution Rate</u>	<u>Calendar Year</u>	<u>Employee Contribution Rate</u>
1977	3.0%/2.0%	1986-1993	1.0%
1978-1982	2.0%	1994	1.0%/1.5%
1983	2.0%/3.0%	1995	1.5%/2.0%
1984	3.0%	1996	2.0%/2.5%
1985	3.0%/1.0%	1997-2013	2.5%

If hired prior to October 1, 2013 and still working on that date, the contribution rates are as follows:

<u>Effective</u>	<u>Rate</u>
through 9/30/2014	2.50%
10/1/2014-9/30/2015	2.75%
10/1/2015+	3.00%

A Participant who terminates non-vested is entitled to refund of accumulated Employee Contributions with no interest accumulation.

Employee Contributions are assumed to be deposited on the last day of a calendar year. Prior to 1988, Employee Contributions are accumulated with interest at a rate of 5% annually. For each year from 1988 through 2001, Employee Contributions are accumulated at 120% of the federal mid-term rate as of January 1, as shown below. Effective January 1, 2002, Employee Contributions are again accumulated at 5% per year. Members are eligible to receive a refund of employee contributions with interest earned before May 25, 2007.

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
1988	10.61%	1993	7.63%	1998	7.13%
1989	11.11%	1994	6.40%	1999	5.59%
1990	9.57%	1995	9.54%	2000	7.47%
1991	9.78%	1996	6.89%	2001	6.75%
1992	8.10%	1997	7.34%		

Contributions may be repaid with interest upon reentry into the Plan due to rehire.

Credited Service: A Participant is credited with Credited Service for each 12 consecutive month period beginning with the date of hire and the anniversary of hire thereafter as follows:

<u>Hours</u>	<u>Credited Service</u>
<250	0.00
<500	0.25
<750	0.50
<1000	0.75
1000+	1.00

Participants receive up to one year of Credited Service for periods of absence from work due to disability. Such Credited Service is granted based on a 40 hour work week.

Credited Service is also granted for certain Military Service.

Amendment No. 10 revised the provisions of the Plan significantly where Tiers 2 and 3 have a different multiplier for Credited Service earned by a member as of a Participant's first anniversary date of employment occurring on or after October 1, 2013 (hereinafter referred to as "Pre 2013 Service") and Credited Service earned by a member after the first anniversary date of employment occurring on or after October 1, 2013 (hereinafter referred to as "Post 2013 Service").

Vesting: Effective January 1, 1989, 100% upon the completion of 5 years of Credited Service or attainment of the Normal Retirement Date, if earlier. Participants hired on or after October 1, 2013 become 100% vested upon completion of 8 years of Credited Service.

Vested Participants who terminate employment prior to being eligible to receive an annuity may begin receipt of benefits once they meet eligibility conditions as defined for either the Normal Retirement Benefit, Early Retirement Benefit, or the Unreduced Early Retirement Benefit.

Further, Participants who terminate at least six months prior to the commencement of monthly benefits under the Plan may elect to receive a refund of accumulated Employee Contributions with interest earned before May 25, 2007 (or an actuarially equivalent immediate annuity). If a distribution of accumulated Employee Contributions with interest earned before May 25, 2007 is elected, the Accrued Benefit payable once benefits commence is actuarially reduced to reflect the distribution of that portion of the Accrued Benefit derived from Employee Contributions with interest earned before May 25, 2007.

Earnings: Actual annual gross compensation inclusive of tax deferred or tax exempt items paid to a Participant by the Employer or Union. Effective April 20, 2014, Earnings excludes overtime pay in excess of 300 hours per calendar year. In addition, Earnings only includes payment for the number of CBA eligible unused accumulated hours of sick and vacation leave as of April 20, 2014.

Final Average Salary: For Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 and Tier 2 Participants, the Average of Earnings for the three highest years.

For Tier 3 Participants, the Average of Earnings for the five highest years.

For Tier 4 Participants, the Average of Earnings for the eight highest years.

Accrued Benefit: The following formulas are used to determine the Accrued Benefit payable under the terms of the Plan.

For Tier 1 and for Participants who terminated employment or retired before October 1, 2013, the Accrued Benefit is defined as follows:

$$2.5\% \times 3\text{-Year Final Average Salary (FAS)} \times \text{Credited Service up to 25 years}$$

The formula is revised for Tiers 2, 3 and 4. For each of these tiers, the 25 year Credited Service cap is removed and the Accrued Benefit is limited to 62.5% of FAS.

The Accrued Benefit is defined as follows for Tier 2:

$$(2.5\% \times \text{Pre 2013 Service} + 2.0\% \times \text{Post 2013 Service}) \times 3\text{-Year FAS}$$

The Accrued Benefit is defined as follows for Tier 3:

$$(2.5\% \times \text{Pre 2013 Service} + 1.6\% \times \text{Post 2013 Service}) \times 5\text{-Year FAS}$$

For Tier 3, the Accrued Benefit is not less than that accrued as of September 30, 2013 based on the formula for Tier 1. The Accrued Benefit at September 30, 2013 is determined using Credited Service at September 30, 2013. For purposes of calculating the Accrued Benefit at September 30, 2013, the 3-Year FAS for any Tier 3 Participants with less than 3 years of Credited Service at September 30, 2013 is determined as the sum of all earnings received as of September 30, 2013 divided by Credited Service at September 30, 2013.

The Accrued Benefit is defined as follows for Tier 4:

$$1.6\% \times 8\text{-Year FAS} \times \text{Credited Service}$$

The Accrued Benefit is payable in the form of a life only annuity.

Supplemental Pension: Participants who retire directly from active service at age 60 or later with at least 10 years of Credited Service with an Early Retirement Benefit, Unreduced Early Retirement Benefit, Rule of 85 Pension, or Disability Retirement Benefit are due an additional \$200 per month payable as a temporary life annuity to their age 65. However, in the event a Participant retires under the Rule of 85 Pension and has not yet reached age 60 at retirement the Supplemental Pension commences on the first of the month coincident with or next following attainment of age 60.

Minimum Benefit: Participants who were actively employed on January 1, 1989 and have at least 10 years of Credited Service upon retirement receive an Accrued Benefit payable in the form of a modified cash refund annuity which is not less than \$5,362 annually. In addition, Participants with at least 5 years of Credited Service as of January 1, 1989 and who retire with less than 10 years of Credited Service receive an Accrued Benefit payable in the form of a modified cash refund annuity which is not less than \$4,468 annually.

Currently the Accrued Benefit for all active Members who were actively employed on January 1, 1989 is higher than \$5,362 annually.

Normal Retirement Date: For Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 Participants, the first day of the month coincident with or next following the later of age 65 and five years of Credited Service.

Additionally, the Normal Retirement Date is upon earning 33 years of Credited Service, if earlier than age 65 and five years of Credited Service for Tier 2 and Tier 3.

For Tier 4, the first day of the month coincident with or next following the later of age 65 and eight years of Credited Service.

Normal Retirement Benefit: The Accrued Benefit.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions with interest earned before May 25, 2007.

Early Retirement Date: First day of any month within the 10 year period immediately preceding the Normal Retirement Date after earning at least 10 years of Credited Service.

Early Retirement Benefit: The Accrued Benefit reduced for early commencement, as follows, plus the Supplemental Pension payable to age 65:

<u>Tier</u>	<u>Termination</u>	<u>Early Retirement Reduction</u>
Tier 1	10/1/13+	6% each year prior to age 60
Tiers 2-4	10/1/13+	6% each year prior to age 62
	1996 to 10/1/2013	6% each year prior to age 60
	Prior to 1996	3% each year from 62 down to 60 plus 6% each year prior to age 60
	Prior to 1987	3% each year from 65 down to 60 plus 6% each year prior to age 60

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011,

without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions.

Unreduced Early Retirement Date: First day of the month coincident with or next following the following eligibility requirements:

<u>Tier</u>	<u>Hire</u>	<u>Termination</u>	<u>Eligibility Requirement</u>
Tier 1	< 9/6/2002	10/1/2013+	62 and 5 years of Credited Service
Tier 1	Any	10/1/2013+	60 and 10 years of Credited Service
Tier 2-4	Any	10/1/2013+	62 and 10 years of Credited Service

In other words, Tier 1 employees hired by September 6, 2002 are eligible for Unreduced Early Retirement at the earlier of age 62 with 5 years of Credited Service and age 60 with 10 years of Credited Service.

Unreduced Early Retirement Benefit: The Accrued Benefit unreduced for early commencement, plus the Supplemental Pension payable to age 65.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions.

Rule of 85 Pension: Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 Participants may retire from active service on the first day of the month coincident with or next following the date on which the sum of this attained age and years of Credited Service equal 85 with a benefit as defined under the Unreduced Early Retirement Benefit.

There is no Rule of 85 Pension available for Tiers 2, 3 and 4.

Late Retirement Benefit: The benefit payable for Participants who retire from active service subsequent to the Normal Retirement Date is determined as defined for the Accrued Benefit using Credited Service and Earnings through the actual date of retirement. In addition, the resulting amount is increased 1% for each of the first 60 months benefit commencement follows the Normal Retirement Date, plus 1.5% for each month thereafter.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest.

Disability Retirement Benefit: For Participants who have completed at least 10 years of Credited Service, the Accrued Benefit is payable with no reduction for commencement prior the Normal Retirement Date. This benefit is payable commencing on the first day of the month coincident with or next following the Board of Trustees' determination that the Participant is totally and permanently disabled. In addition, the Supplemental Pension is payable to age 65. The Disability Retirement Benefit is offset by benefits received under any other disability plan funded by the Employer.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions with interest earned before May 25, 2007 at the time of termination of employment prior to retirement eligibility.

Death Benefits: The beneficiary of a non-vested or unmarried Participant who dies before having retired is due a refund of accumulated Employee Contributions with interest earned before May 25, 2007.

The beneficiary of a vested, married Participant who dies before having retired is eligible to receive a refund of accumulated Employee Contributions with interest earned before May 25, 2007 and an actuarially reduced pre-retirement joint and survivor annuity based on the assumption that the Participant retired the day before death.

The beneficiary of a Participant who dies while in active service after having earned 10 years of Credited Service receives a lump sum benefit of \$5,000. The beneficiary of a retired Participant receives a lump sum benefit of \$7,500.

Optional Forms of Benefit: The normal form of benefit payment for an unmarried Participant is a modified cash refund annuity. This is a life only annuity where the excess of the Employee Contributions accumulated with interest earned before May 25, 2007 over the total sum of pension benefits received is paid to the designated beneficiary in a single sum.

The normal form of benefit payment for a married participant is an adjusted 50% joint and survivor annuity.

Participants may optionally choose an "actuarially equivalent" single life annuity, 10 year certain and life annuity, joint and survivor annuity (with 50%, 66 2/3, or 100% continuance).

The following percentages are used to adjust the life only normal form of benefit to the joint and survivor annuity forms.

<u>J&S</u> <u>Continuation</u> <u>Percentage</u>	<u>Healthy Life</u> <u>Initial Adjustment</u> <u>Percentage</u>	<u>Disabled Life</u> <u>Initial Adjustment</u> <u>Percentage</u>	<u>Plus/Minus</u> <u>Full Years</u> <u>Beneficiary</u> <u>Older/Younger</u>
50%	88.0%	77.5%	0.4%
66-2/3%	85.5%	72.0%	0.5%
100%	79.0%	63.0%	0.6%

In no event is the percentage to be greater than 99%.

Actuarial Equivalence: Actuarial Equivalence is determined using the assumptions used in the most recent actuarial valuation of the Plan. Factors shown above for optional forms of benefit are not based on this definition of Actuarial Equivalence.

Actuarial Assumptions and Methods

The following assumptions and methods are as shown in the January 1, 2024 actuarial valuation.

Assumed Net Rate of Investment Return: 7.0% per year

Salary Increase – Individual: 12.5% the first eight years, 5.0% thereafter. Salary is imputed using the individual salary increase assumption and the prior calendar year Plan compensation, annualized for those hired during the year, but not less than the compensation used in the prior actuarial valuation.

Aggregate Payroll Growth: A 2.0% aggregate payroll growth assumption is used to amortize unfunded accrued liability as a level percent of payroll.

Accrued Leave Payout: Liabilities are increased 1% for Tiers 1, 2 and 3 to account for payouts of accumulated unused hours of vacation and sick leave at retirement.

Administrative Expenses: Prior year's actual expenses added to Normal Cost

Mortality: Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for not special risk and not school instructional personnel, as follows:

The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

The following sex distinct table was used with no mortality improvement assumed:

Disabled Retiree: PubG.H-2010 (male and female set forward 3 years)

Retirement: Tier 1 Members with at least 10 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 62 and 64. Members with at least 5 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 65 and 68. Tier 1 Members who are age 69 or have met the Rule of 85 are assumed to retire immediately.

Tier 2 and 3 Members are assumed to retire at the earliest of 65 with 5 years of service, age 62 with 10 years of service, or at 33 years of service regardless of age. Tier 4 Members are assumed to retire at the earliest of 65 with 8 years of service or 62 with 10 years of service.

Termination: Unisex rates of termination are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	14.00%	5	4.50%	10	3.60%	15	3.10%
1	8.50%	6	4.00%	11	3.50%	16	3.00%
2	7.50%	7	3.90%	12	3.40%	17	2.25%
3	6.50%	8	3.80%	13	3.30%	18	1.50%
4	5.50%	9	3.70%	14	3.20%	19	1.50%
						>=20	0.00%

Disability: Unisex rates of disability are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
<=19	0.00%	30	0.01%	41	0.03%	52	0.45%
20	0.01%	31	0.01%	42	0.03%	53	0.55%
21	0.01%	32	0.01%	43	0.04%	54	0.55%
22	0.01%	33	0.01%	44	0.04%	55	0.55%
23	0.01%	34	0.01%	45	0.05%	56	0.55%
24	0.01%	35	0.02%	46	0.05%	57	0.55%
25	0.01%	36	0.02%	47	0.06%	58	0.40%
26	0.01%	37	0.02%	48	0.15%	59	0.25%
27	0.01%	38	0.02%	49	0.20%	60	0.15%
28	0.01%	39	0.02%	50	0.25%	61	0.05%
29	0.01%	40	0.02%	51	0.35%	>=62	0.00%

Form of Payment: Single members are paid a modified cash refund annuity which is valued as if they are in receipt of a 4-year certain and continuous annuity. Married members are assumed to be paid under the 50% joint and survivor form of benefit.

Marital Assumption: Members are assumed to be married while in active service according to the following percentages.

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
15-24	33%	37%	50-54	76%	64%
25-29	59%	65%	55-59	77%	58%
30-34	65%	62%	60-64	74%	50%
35-39	71%	64%	65-69	70%	23%
40-44	71%	63%	>=70	63%	15%
45-49	73%	61%			

Funding Method: Entry Age Normal (level percent of salary).

See the January 1, 2025 actuarial valuation for a description of the funding method.



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Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan

GASB 68 Supplement
As of September 30, 2024



REPORT TO PROVIDE DISCLOSURES UNDER GASB STATEMENT NO. 68
USING A SEPTEMBER 30, 2024 REPORTING DATE



December 6, 2024

Board of Trustees
Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan
West Palm Beach, Florida

RE: GASB 68 Supplement as of September 30, 2024

Dear Board Members:

We are pleased to present the Governmental Accounting Standards Board Statement No. 68 (GASB 68) Supplement as of September 30, 2024 for the Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan (the Plan). This report is a supplement to the January 1, 2024 actuarial valuation report. Please review that report for information relating to reconciliations to prior year results, risk assessments, and other information. Whereas the assumed net rate of return of 7.0% was used in the January 1, 2024 funding valuation, GASB 68 continues to report using an assumed net rate of return of 6.5%.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. We find all inputs and outputs to be reasonable.

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.

This report provides information required to be disclosed under GASB 68 as described in the statement and the implementation guide. The relevant dates are as follows:

GASB 68

Valuation Date	01/01/2024
Measurement Date	12/31/2023
Reporting Date	09/30/2024

Please let us know if you have any questions or need additional information

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 23-5796

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Statement of Fiduciary Net Position

As of December 31,	2023	2022
Assets		
Receivables:		
Interest and dividends	\$205,769	\$218,748
Pending trades receivable	<u>41,034</u>	<u>18,028</u>
Total receivables	<u>246,803</u>	<u>236,776</u>
Investments, at fair value:		
Money market funds	1,680,344	2,203,580
US government obligations	7,766,535	5,080,273
Asset-backed securities	7,484,123	8,078,999
Corporate obligations	2,178,418	4,540,851
Convertible bonds	0	4,963,814
Fixed income mutual funds	23,327,537	20,078,757
International equity securities	1,252,085	661,682
Domestic equity securities	12,644,783	10,736,754
Equity mutual funds	41,611,729	40,128,392
Equity unit investment trust	0	59,475
Preferred equity securities	0	770,391
Global infrastructure fund	0	7,911,660
Stock index fund	28,658,554	6,472,110
Commingled real estate funds	<u>11,921,057</u>	<u>15,651,681</u>
Total investments	<u>138,525,165</u>	<u>127,338,419</u>
Total assets	<u>138,771,968</u>	<u>127,575,195</u>
Liabilities		
Accounts payable	74,494	76,958
Pending trades payable	<u>44,616</u>	<u>52,042</u>
Total liabilities	<u>119,110</u>	<u>129,000</u>
Net position restricted for pensions	<u>\$138,652,858</u>	<u>\$127,446,195</u>

Statement of Changes in Fiduciary Net Position

As of December 31,	2023	2022
Additions		
Contributions:		
Employer	\$6,189,910	\$6,390,895
Employees	<u>1,049,253</u>	<u>1,012,503</u>
Total contributions	7,239,163	7,403,398
Investment income (loss):		
Net appreciation in fair value of investments	10,926,425	(27,720,363)
Interest and dividends	2,863,673	2,639,486
Other income	<u>14,866</u>	<u>8,656</u>
Total investment income	13,804,964	(25,072,221)
Less investment expenses:		
Investment expense	<u>467,452</u>	<u>519,572</u>
Net investment income	<u>13,337,512</u>	<u>(25,591,793)</u>
Total additions	<u>20,576,675</u>	<u>(18,188,395)</u>
Deductions		
Benefit payments	8,536,358	8,113,667
Refunds of contributions	585,618	459,183
Administrative expenses	<u>248,036</u>	<u>312,967</u>
Total deductions	<u>9,370,012</u>	<u>8,885,817</u>
Net increase in net position	11,206,663	(27,074,212)
Net position restricted for pensions		
Beginning of year	<u>127,446,195</u>	<u>154,520,407</u>
End of year	<u>\$138,652,858</u>	<u>\$127,446,195</u>

Net Pension Liability

The total pension liability under GASB 68 is determined as of January 1, 2024 using the following actuarial assumptions applied to all periods included in the measurement.

Inflation: 2.0% (in comparison to that assumed by the investment monitor, below, of 2.5%)

Salary increases: 5% to 12.5% per year

Investment rate of return: 6.5% net of investment expense, including inflation

Mortality: The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

The following sex distinct table was used with no mortality improvement assumed:

Disabled Retiree: PubG.H-2010 (male and female set forward 3 years)

See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the total pension liability. Assumptions are based on the results of a five-year actuarial experience study performed as of January 1, 2018. The 6.5% net assumed return is unchanged from that used in the prior year. It is a prescribed assumption set by another party, as it is set by the Board. The mortality assumption is as required by state statute.

The long-term expected net rate of return on investments was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown in the following table. Note, however, that long-term expected net rates of return for actuarial valuations should be compared to geometric returns.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Group Contribution
Domestic Equity	45.0%	7.5%	3.4%
Int'l Equity	15.0%	3.2%	0.5%
Bonds	25.0%	1.9%	0.5%
Convertibles	5.0%	6.1%	0.3%
Private Real Estate	8.0%	5.8%	0.5%
Cash	2.0%	-0.1%	0.0%
		Weighted Real Return	5.2%

The weighted real return based on the arithmetic expected returns supplied by the investment monitor plus the 2.5% inflation assumption used by the investment monitor is 7.7%. In comparison, the discount rate used to measure the total pension liability was 6.5%. This is the single rate that reflects the long-

term expected rate of return on pension plan investments expected to be used to finance the payment of benefits. A projection of cash flows used to determine the discount rate assumed that plan member contributions are made at the current contribution rate and that County contributions will be made equal to the difference between the actuarially determined contribution and the member contributions. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments to determine the total pension liability. For purposes of this determination we understand pension plan assets are expected to be invested using a strategy to achieve the discount rate.

For GASB 68 the net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is measured as of December 31, 2023 under GASB 68 for the employer's fiscal year ending September 30, 2024.

The total pension liability used to calculate the net pension liability as of December 31, 2023 was determined by an actuarial valuation as of January 1, 2024.

The components of the net pension liability at December 31, 2023 were as follows:

Total pension liability	180,572,955
Plan fiduciary net position	<u>(138,652,858)</u>
Net pension liability	<u>41,920,097</u>

Plan fiduciary net position as a percentage of the total pension liability	76.78%
--	--------

Sensitivity of the net pension liability to changes in the discount rate follows.

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net pension liability	61,334,650	41,920,097	25,493,263

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	4,749,163	4,933,132	5,049,308	5,043,856	4,040,432	4,022,548	3,657,542	3,614,568	3,699,372	3,517,163
Interest	11,288,716	10,943,325	10,585,772	10,204,584	10,357,277	10,013,496	9,655,384	9,070,466	8,602,255	7,920,953
Changes of benefit terms	0	0	0	0	0	0	0	0	0	0
Differences between expected and actual experience	(227,930)	(1,480,540)	(1,611,163)	(1,464,749)	(1,085,883)	(1,801,094)	(2,489,675)	260,004	(2,653,460)	1,780,535
Changes of assumptions	0	0	0	0	16,457,786	3,193,461	(523,606)	0	1,585,562	0
Benefit payments, including refunds of member contributions	<u>(9,121,976)</u>	<u>(8,572,850)</u>	<u>(8,241,414)</u>	<u>(7,606,438)</u>	<u>(7,205,264)</u>	<u>(6,625,328)</u>	<u>(5,898,029)</u>	<u>(5,467,344)</u>	<u>(5,009,083)</u>	<u>(4,626,680)</u>
Net change in total pension liability	6,687,973	5,823,067	5,782,503	6,177,253	22,564,348	8,803,083	4,401,616	7,477,694	6,224,646	8,591,971
Total pension liability - beginning	<u>173,884,982</u>	<u>168,061,915</u>	<u>162,279,412</u>	<u>156,102,159</u>	<u>133,537,811</u>	<u>124,734,728</u>	<u>120,333,112</u>	<u>112,855,418</u>	<u>106,630,772</u>	<u>98,038,801</u>
Total pension liability - ending (a)	180,572,955	173,884,982	168,061,915	162,279,412	156,102,159	133,537,811	124,734,728	120,333,112	112,855,418	106,630,772
Plan fiduciary net position										
Contributions - employer	6,189,910	6,390,895	6,268,796	6,338,056	5,809,852	5,509,648	5,421,844	5,589,705	5,215,491	7,205,534
Contributions - employee	1,049,253	1,012,503	987,691	976,061	943,170	923,986	912,362	867,999	777,273	684,731
Net investment income	13,337,512	(25,591,793)	17,116,840	19,587,534	19,052,799	(4,414,367)	12,590,071	5,754,084	(1,839,676)	4,845,252
Benefit payments, including refunds of member contributions	(9,121,976)	(8,572,850)	(8,241,414)	(7,606,438)	(7,205,264)	(6,625,328)	(5,898,029)	(5,467,344)	(5,009,083)	(4,626,680)
Administrative expense	(248,036)	(312,967)	(287,715)	(277,662)	(276,527)	(372,153)	(213,695)	(157,019)	(182,444)	(223,302)
Other	0	0	0	0	0	0	0	0	0	0
Net change in plan fiduciary net position	11,206,663	(27,074,212)	15,844,198	19,017,551	18,324,030	(4,978,214)	12,812,553	6,587,425	(1,038,439)	7,885,535
Plan fiduciary net position - beginning	<u>127,446,195</u>	<u>154,520,407</u>	<u>138,676,209</u>	<u>119,658,658</u>	<u>101,334,628</u>	<u>106,312,842</u>	<u>93,500,289</u>	<u>86,912,864</u>	<u>87,951,303</u>	<u>80,065,768</u>
Plan fiduciary net position - ending (b)	138,652,858	127,446,195	154,520,407	138,676,209	119,658,658	101,334,628	106,312,842	93,500,289	86,912,864	87,951,303
Net pension liability - ending (a) - (b)	41,920,097	46,438,787	13,541,508	23,603,203	36,443,501	32,203,183	18,421,886	26,832,823	25,942,554	18,679,469
Plan fiduciary net position as a % of the total pension liability	76.78 %	73.29 %	91.94 %	85.46 %	76.65 %	75.88 %	85.23 %	77.70 %	77.01 %	82.48 %
Covered employee payroll	36,250,347	33,641,561	32,799,623	32,525,195	31,395,399	30,674,568	30,402,375	30,061,310	27,512,115	24,661,404
Net pension liability as a % of covered employee payroll	115.64 %	138.04 %	41.29 %	72.57 %	116.08 %	104.98 %	60.59 %	89.26 %	94.30 %	75.74 %



Statement of Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2022	<u>\$173,884,982</u>	<u>\$127,446,195</u>	<u>\$46,438,787</u>
Changes for the year:			
Service cost	4,749,163		4,749,163
Interest	11,288,716		11,288,716
Changes of benefit terms	0		0
Differences between expected and actual experience	(227,930)		(227,930)
Changes of assumptions	0		0
Contributions—employer		6,189,910	(6,189,910)
Contributions—employee		1,049,253	(1,049,253)
Net investment income		13,337,512	(13,337,512)
Benefit payments, including refunds of employee contributions	(9,121,976)	(9,121,976)	0
Administrative expense		(248,036)	248,036
Other changes		0	0
Net changes	<u>6,687,973</u>	<u>11,206,663</u>	<u>(4,518,690)</u>
Balances at 12/31/2023	<u><u>\$180,572,955</u></u>	<u><u>\$138,652,858</u></u>	<u><u>\$41,920,097</u></u>

Pension Expense and Deferred Outflows and Inflows of Resources

Pension expense for the year ended September 30, 2024 is as shown below using a measurement date of December 31, 2023.

Description	Amount
Service cost	\$4,749,163
Interest on the total pension liability	11,288,716
Changes of benefit terms	0
Differences between expected and actual experience	(1,296,568)
Changes of assumptions	3,085,474
Employee contributions	(1,049,253)
Projected earnings on pension plan investments	(8,415,922)
Differences between projected and actual earnings on plan investments	(24,561)
Pension plan administrative expense	248,036
Other changes in fiduciary net position	0
Total pension expense	\$8,585,085

At September 30, 2024 there are deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$1,742,810
Changes of assumptions	0	0
Net difference between projected and actual earnings	11,997,960	0
Employer contributions to Plan subsequent to the measurement date of the NPL	6,054,703	0
Total	\$18,052,663	\$1,742,810

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended December 31:

2024	\$1,252,648
2025	3,976,552
2026	6,015,826
2027	(989,876)
2028	0

Recognition of Deferred Outflows and Inflows of Resources

Year	Original Amount	Recognition Period	Measurement Recognition Year				
			<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Differences between Expected and Actual Experience							
2018	(1,801,094)	5.1	(35,314)	0	0	0	0
2019	(1,085,883)	4.9	(199,447)	0	0	0	0
2020	(1,464,749)	4.7	(311,649)	(218,153)	0	0	0
2021	(1,611,163)	4.6	(350,253)	(350,253)	(210,151)	0	0
2022	(1,480,540)	4.3	(344,312)	(344,312)	(344,312)	(103,292)	0
2023	(227,930)	4.1	(55,593)	(55,593)	(55,593)	(55,593)	(5,558)
Changes in Assumptions							
2018	3,193,461	5.1	62,616	0	0	0	0
2019	16,457,786	4.9	3,022,858	0	0	0	0
Differences between Projected and Actual Earnings on Pension Plan Investments							
2019	(11,227,605)	5.0	(2,245,521)	0	0	0	0
2020	(11,828,246)	5.0	(2,365,649)	(2,365,650)	0	0	0
2021	(7,940,511)	5.0	(1,588,102)	(1,588,102)	(1,588,103)	0	0
2022	35,795,145	5.0	7,159,029	7,159,029	7,159,029	7,159,029	0
2023	(4,921,590)	5.0	(984,318)	(984,318)	(984,318)	(984,318)	(984,318)

Schedule of Contributions

Year Ending September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$6,054,703	\$6,189,910	\$6,390,895	\$7,853,310	\$6,206,005	\$5,734,801	\$5,487,697	\$5,436,974	\$5,392,773	\$5,029,111
Contributions in relation to the actuarially determined contribution	<u>6,054,703</u>	<u>6,189,910</u>	<u>6,390,895</u>	<u>7,853,310</u>	<u>6,206,005</u>	<u>5,734,801</u>	<u>5,487,697</u>	<u>5,436,974</u>	<u>5,392,773</u>	<u>5,148,840</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$(119,729)</u>								
Covered employee payroll	\$37,426,177	\$36,075,031	\$33,479,879	\$32,689,367	\$32,216,091	\$31,302,673	\$30,734,855	\$31,146,308	\$28,194,510	\$28,129,612
Actuarially determined contribution as a percentage of covered-employee payroll	16.2 %	17.2 %	19.1 %	24.0 %	19.3 %	18.3 %	17.9 %	17.5 %	19.1 %	17.9 %
Actual contributions as a percentage of covered-employee payroll	16.2 %	17.2 %	19.1 %	24.0 %	19.3 %	18.3 %	17.9 %	17.5 %	19.1 %	18.3 %

Notes to Schedule

Methods and assumptions used to determine contributions in the January 1, 2023 actuarial valuation:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	New amortization bases are set up over 25 years
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	5% to 12.5%, including inflation
Investment rate of return	7.0% net of investment expenses, including inflation
Retirement age	See "Description of Assumptions and Methods" for the assumed retirement age assumption
Mortality	See "Description of Assumptions and Methods" for the mortality assumption

*As directed by the auditor, contribution information is the sum of quarterly contribution requirements excluding any funding deficit.

Schedule of Investment Returns

The following is as provided by the investment monitor.

Year Ending December 31,	Annual money-weighted rate of return net of investment expense
2023	10.4 %
2022	(16.3)%
2021	12.3 %
2020	16.4 %
2019	18.9 %
2018	(4.0)%
2017	14.0 %
2016	7.4 %
2015	(1.6)%
2014	6.6 %

Plan Membership Statistics

Valuation as of January 1,	2024	2023
Inactive members or beneficiaries receiving benefits	444	436
Inactive members entitled to but not yet receiving benefits	118	107
Active members	<u>588</u>	<u>561</u>
Total	<u>1,150</u>	<u>1,104</u>

Plan Description

The following as shown in the January 1, 2024 actuarial valuation of the Plan.

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by the Board of Trustees and the Palm Beach County Commission.

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the members of Amalgamated Transit Union Local 1577, who are members of the plan, and two members appointed by the Commission.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended.

Effective Date: Originally effective January 1, 1977. Amended and restated effective January 1, 2001. The following Amendments 1 through 14 were made prior to the plan amended and restated effective January 1, 2015.

Amendment No. 1 adopted June 26, 2003 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
01/01/2002	1.6 Earnings
09/06/2002	4.7 Unreduced Early Retirement
01/01/2003	4.16 Pension Benefit on Vested Deferred Retirement
05/22/2003	4.1 Pension Benefit Commencement Dates

Amendment No. 2 adopted November 29, 2005 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
11/29/2005	4.20 Supplemental Pension
11/29/2005	7.3 Ten (10) Year Certain and Life Annuity

Amendment No. 3 adopted May 24, 2007 amended Section 9.5, Assignability, effective January 1, 2007.

Amendment No. 4 adopted August 28, 2008 subsequently amended Plan provisions as follows:

<u>Effective</u>	<u>Section Amended</u>
08/28/2008	1.2 Actuarial Present Value
05/25/2007	2.2 When Individuals Shall Become Participants
05/25/2007	3.2 Employee Contributions as a Condition of Participation
05/25/2007	4.16 Pension Benefit on Vested Deferred Retirement
05/25/2007	4.21 Death Benefit
05/25/2007	7.1 Normal Form
05/25/2007	7.2 Joint and Survivor Annuity

Amendment No. 4 provided for use of the assumptions from the most recent actuarial valuation of the Plan for use in determination of actuarial equivalence. In addition, whereas employee contributions were previously payable based on interest accumulation through the month preceding distribution to non-vested and vested terminations, Amendment No. 4 provided for the refund of employee contributions with no interest accumulated after May 25, 2007. In addition, the spouse of a member who died prior to age 55 may receive a refund of employee contributions with interest earned before May 25, 2007. The future monthly benefit payable to a vested member or to the spouse of a member who died prior to age

55 is then reduced actuarially for the payment received using the assumptions used in the most recent actuarial valuation of the Plan.

Amendment No. 5 adopted February 25, 2010 effective January 1, 2010 amended Section 4.21, Death Benefits, to indicate that the death benefit payable to a beneficiary of a Participant who dies on or after January 1, 2007 while performing Uniformed Services Employment and Reemployment Act (USERRA) Qualified Military Service is payable as if the Participant had resumed employment and then died while employed.

Amendment No. 6 adopted August 26, 2010 effective September 1, 2010 amended Section 4.17, Repayment of Refund, to indicate Participants who are involuntarily terminated from employment and receive a refund of contributions and are subsequently reinstated the Participant must repay to the plan the refund of contributions with interest at the rate of 5.0% annually within 60 months of the reinstatement. Upon repayment, Credited Service for the period for which contributions are being repaid is restored.

Amendment No. 7 adopted December 14, 2010 revised the definition of Normal Retirement to be age 65 with at least 5 years of Credited Service. Prior to this amendment Normal Retirement was defined to be age 65 with at least 5 years of participation.

Amendment No. 8 was adopted June 10, 2011. Prior to amendment the Plan contained a provision to refund a member their employee contributions if at least 10 years of service had been earned during employment. Employee contributions after December 31, 2011 are no longer refunded to retirees with at least 10 years of service under amendment 8.

Amendment No. 9 was adopted effective July 17, 2013. This amendment revised language regarding the maximum amount of retirement income payable under the Plan due to Internal Revenue Code (IRC) Section 415(b), minimum required distributions under IRC Section 401(a)(9), rollover distributions, and compensation limitations under IRC Section 401(a)(17).

Amendment No. 10 was adopted effective September 18, 2013. This amendment changed the provisions of the Plan significantly. The benefits payable to Participants who terminated employment with a deferred benefit payable at a future retirement date and Participants who retired from the Plan prior to October 1, 2013 are unchanged by this amendment. The eligibility to receive benefits and the amount of the benefit payable to Participants who were actively employed on October 1, 2013 depends on the Credited Service earned by a member as of a Participant's first anniversary date of employment occurring on or after October 1, 2013. There are four categories of Participants, as follows:

<u>Tier</u>	<u>Credited Service Determined as of First Anniversary On or After October 1, 2013</u>
Tier 1	Participants with 10 or more years of Credited Service
Tier 2	Participants with at least 5 but less than 10 years of Credited Service
Tier 3	Participants with less than 5 years of Credited Service
Tier 4	Those hired on or after October 1, 2013

This summary of Plan provisions uses the Tiers noted above to describe the benefits payable to each category of Participants.

Amendment No. 11 was adopted June 11, 2014 and effective February 25, 2014. This amendment changed the provisions of the Plan related to the treatment of members who return to work after retirement. The monthly benefit in payment status is continued for retired Participants who are reemployed after a bone fide retirement. They are considered new employees who accrue a second pension based on the provisions of Tier 4. The monthly benefit in payment status is suspended for retired Participants who are reemployed if there has not been a bone fide retirement. These fully vested participants accrue a second pension based on the Tier they were a part of during their prior period of employment.

Amendment No. 12 was adopted effective April 8, 2014. This amendment provides that the Trustees have the right to amend the Plan in whole or in part any or all provisions of the Plan to the extent provided by the Trust Agreement and the Collective Bargaining Agreement (CBA). Trustees may recommend changes to pension benefits and employee contributions but do not have the authority to implement such

changes without the approval of the Board of County Commissioners. Any amendments necessary to comply with federal or state law will be adopted by the Trustees.

Amendment No. 13 was adopted effective July 9, 2014. Effective April 20, 2014, Earnings excludes overtime pay in excess of 300 hours per calendar year. In addition, Earnings only includes payment for the number of CBA eligible unused accumulated hours of sick and vacation leave as of April 20, 2014.

Amendment No. 14 was adopted effective July 9, 2014. This amendment clarified that Final Average Salary is not defined based on W-2 earnings.

The Plan was amended and restated effective January 1, 2015. The following amendments were made after restatement:

Amendment No. 1 was adopted effective February 26, 2015 to add language indicating differential wage payments are added to definition of Compensation with respect to plan years beginning on or after December 31, 2008.

Prior to Amendment No. 2 the pension benefit commencement date was set as the first day of the calendar month after the latest of (a) termination and (b) 30 days after an application is made. Amendment No. 2 adopted effective December 17, 2015 to removed language such that no 30 day waiting period would be required. The pension benefit commencement date is set as the first day of the calendar month after the latest of (a) termination and (b) the application date.

Amendment No. 3 was adopted effective September 26, 2017. This amendment clarified that members who terminate vested with a deferred benefit may commence monthly benefits upon reaching their Unreduced Early Retirement Date. Additionally, an outdated reference to vesting at 5 years of Credited Service was eliminated from the section regarding Vested Deferred Retirement. A statement of no impact was issued May 25, 2017 as the language was amended to match current practice.

Amendment No. 4 was adopted effective June 6, 2019 to amend Section 1.12, such that the definition of hour of service during which no duties are performed removes references to incapacity (including disability) and military duty with respect to the limitation of granting no more than 501 hours of service for any single continuous period. In addition, Section 5.4 is modified with regard to credit for non-working periods to add language to clarify hours of service are granted for non-working periods due to disability (not more than 1 year) and military service (not more than 5 years) under this Section 5.4 notwithstanding the limitations of Section 1.12.

Amendment No. 5 was adopted effective March 24, 2021 regarding required minimum distributions at age 72.

Plan Year: The 12-month period beginning January 1st and ending December 31st.

Participant: Full-time employees become Participants in the Plan on the first day of full-time employment that is covered under the terms of a collective bargaining agreement between the Employer and the Amalgamated Transit Union Local Union No. 1577 or on the first day of full-time employment for any other employee of the Employer or Union for whom the Employer makes or is obligated to make contributions to this Plan.

Employer: Palm Beach County and Palm Tran, Inc., jointly.

Employer Contributions: Prior to October 1, 2014, the Employer made contributions to the Plan as specified in the collective bargaining agreement. Effective October 1, 2014, we understand the Employer will make the minimum required contribution as determined by the Plan actuary and approved by the Board.

Employee Contributions: Each Participant is required to make contributions to the Plan at the rate established in the collective bargaining agreement.

The contribution rate for Tier 4 (hired on or after October 1, 2013) is 3.0%.

For Participants who terminated or retired prior to October 1, 2013, historical contribution rates as a percentage of Earnings follow. These are the historical rates applicable to Tiers 1, 2, and 3.

<u>Calendar Year</u>	<u>Employee Contribution Rate</u>	<u>Calendar Year</u>	<u>Employee Contribution Rate</u>
1977	3.0%/2.0%	1986-1993	1.0%
1978-1982	2.0%	1994	1.0%/1.5%
1983	2.0%/3.0%	1995	1.5%/2.0%
1984	3.0%	1996	2.0%/2.5%
1985	3.0%/1.0%	1997-2013	2.5%

If hired prior to October 1, 2013 and still working on that date, the contribution rates are as follows:

<u>Effective</u>	<u>Rate</u>
through 9/30/2014	2.50%
10/1/2014-9/30/2015	2.75%
10/1/2015+	3.00%

A Participant who terminates non-vested is entitled to refund of accumulated Employee Contributions with no interest accumulation.

Employee Contributions are assumed to be deposited on the last day of a calendar year. Prior to 1988, Employee Contributions are accumulated with interest at a rate of 5% annually. For each year from 1988 through 2001, Employee Contributions are accumulated at 120% of the federal mid-term rate as of January 1, as shown below. Effective January 1, 2002, Employee Contributions are again accumulated at 5% per year. Members are eligible to receive a refund of employee contributions with interest earned before May 25, 2007.

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
1988	10.61%	1993	7.63%	1998	7.13%
1989	11.11%	1994	6.40%	1999	5.59%
1990	9.57%	1995	9.54%	2000	7.47%
1991	9.78%	1996	6.89%	2001	6.75%
1992	8.10%	1997	7.34%		

Contributions may be repaid with interest upon reentry into the Plan due to rehire.

Credited Service: A Participant is credited with Credited Service for each 12 consecutive month period beginning with the date of hire and the anniversary of hire thereafter as follows:

<u>Hours</u>	<u>Credited Service</u>
<250	0.00
<500	0.25
<750	0.50
<1000	0.75
1000+	1.00

Participants receive up to one year of Credited Service for periods of absence from work due to disability. Such Credited Service is granted based on a 40 hour work week.

Credited Service is also granted for certain Military Service.

Amendment No. 10 revised the provisions of the Plan significantly where Tiers 2 and 3 have a different multiplier for Credited Service earned by a member as of a Participant's first anniversary date of employment occurring on or after October 1, 2013 (hereinafter referred to as "Pre 2013 Service") and



Credited Service earned by a member after the first anniversary date of employment occurring on or after October 1, 2013 (hereinafter referred to as "Post 2013 Service").

Vesting: Effective January 1, 1989, 100% upon the completion of 5 years of Credited Service or attainment of the Normal Retirement Date, if earlier. Participants hired on or after October 1, 2013 become 100% vested upon completion of 8 years of Credited Service.

Vested Participants who terminate employment prior to being eligible to receive an annuity may begin receipt of benefits once they meet eligibility conditions as defined for either the Normal Retirement Benefit, Early Retirement Benefit, or the Unreduced Early Retirement Benefit.

Further, Participants who terminate at least six months prior to the commencement of monthly benefits under the Plan may elect to receive a refund of accumulated Employee Contributions with interest earned before May 25, 2007 (or an actuarially equivalent immediate annuity). If a distribution of accumulated Employee Contributions with interest earned before May 25, 2007 is elected, the Accrued Benefit payable once benefits commence is actuarially reduced to reflect the distribution of that portion of the Accrued Benefit derived from Employee Contributions with interest earned before May 25, 2007.

Earnings: Actual annual gross compensation inclusive of tax deferred or tax exempt items paid to a Participant by the Employer or Union. Effective April 20, 2014, Earnings excludes overtime pay in excess of 300 hours per calendar year. In addition, Earnings only includes payment for the number of CBA eligible unused accumulated hours of sick and vacation leave as of April 20, 2014.

Final Average Salary: For Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 and Tier 2 Participants, the Average of Earnings for the three highest years.

For Tier 3 Participants, the Average of Earnings for the five highest years.

For Tier 4 Participants, the Average of Earnings for the eight highest years.

Accrued Benefit: The following formulas are used to determine the Accrued Benefit payable under the terms of the Plan.

For Tier 1 and for Participants who terminated employment or retired before October 1, 2013, the Accrued Benefit is defined as follows:

$$2.5\% \times 3\text{-Year Final Average Salary (FAS)} \times \text{Credited Service up to 25 years}$$

The formula is revised for Tiers 2, 3 and 4. For each of these tiers, the 25 year Credited Service cap is removed and the Accrued Benefit is limited to 62.5% of FAS.

The Accrued Benefit is defined as follows for Tier 2:

$$(2.5\% \times \text{Pre 2013 Service} + 2.0\% \times \text{Post 2013 Service}) \times 3\text{-Year FAS}$$

The Accrued Benefit is defined as follows for Tier 3:

$$(2.5\% \times \text{Pre 2013 Service} + 1.6\% \times \text{Post 2013 Service}) \times 5\text{-Year FAS}$$

For Tier 3, the Accrued Benefit is not less than that accrued as of September 30, 2013 based on the formula for Tier 1. The Accrued Benefit at September 30, 2013 is determined using Credited Service at September 30, 2013. For purposes of calculating the Accrued Benefit at September 30, 2013, the 3-Year FAS for any Tier 3 Participants with less than 3 years of Credited Service at September 30, 2013 is determined as the sum of all earnings received as of September 30, 2013 divided by Credited Service at September 30, 2013.

The Accrued Benefit is defined as follows for Tier 4:

$$1.6\% \times 8\text{-Year FAS} \times \text{Credited Service}$$

The Accrued Benefit is payable in the form of a life only annuity.

Supplemental Pension: Participants who retire directly from active service at age 60 or later with at least 10 years of Credited Service with an Early Retirement Benefit, Unreduced Early Retirement Benefit, Rule of 85 Pension, or Disability Retirement Benefit are due an additional \$200 per month payable as a

temporary life annuity to their age 65. However, in the event a Participant retires under the Rule of 85 Pension and has not yet reached age 60 at retirement the Supplemental Pension commences on the first of the month coincident with or next following attainment of age 60.

Minimum Benefit: Participants who were actively employed on January 1, 1989 and have at least 10 years of Credited Service upon retirement receive an Accrued Benefit payable in the form of a modified cash refund annuity which is not less than \$5,362 annually. In addition, Participants with at least 5 years of Credited Service as of January 1, 1989 and who retire with less than 10 years of Credited Service receive an Accrued Benefit payable in the form of a modified cash refund annuity which is not less than \$4,468 annually.

Currently the Accrued Benefit for all active Members who were actively employed on January 1, 1989 is higher than \$5,362 annually.

Normal Retirement Date: For Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 Participants, the first day of the month coincident with or next following the later of age 65 and five years of Credited Service.

Additionally, the Normal Retirement Date is upon earning 33 years of Credited Service, if earlier than age 65 and five years of Credited Service for Tier 2 and Tier 3.

For Tier 4, the first day of the month coincident with or next following the later of age 65 and eight years of Credited Service.

Normal Retirement Benefit: The Accrued Benefit.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions with interest earned before May 25, 2007.

Early Retirement Date: First day of any month within the 10 year period immediately preceding the Normal Retirement Date after earning at least 10 years of Credited Service.

Early Retirement Benefit: The Accrued Benefit reduced for early commencement, as follows, plus the Supplemental Pension payable to age 65:

<u>Tier</u>	<u>Termination</u>	<u>Early Retirement Reduction</u>
Tier 1	10/1/13+	6% each year prior to age 60
Tiers 2-4	10/1/13+	6% each year prior to age 62
	1996 to 10/1/2013	6% each year prior to age 60
	Prior to 1996	3% each year from 62 down to 60 plus 6% each year prior to age 60
	Prior to 1987	3% each year from 65 down to 60 plus 6% each year prior to age 60

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions.

Unreduced Early Retirement Date: First day of the month coincident with or next following the following eligibility requirements:

<u>Tier</u>	<u>Hire</u>	<u>Termination</u>	<u>Eligibility Requirement</u>
Tier 1	< 9/6/2002	10/1/2013+	62 and 5 years of Credited Service
Tier 1	Any	10/1/2013+	60 and 10 years of Credited Service
Tier 2-4	Any	10/1/2013+	62 and 10 years of Credited Service

In other words, Tier 1 employees hired by September 6, 2002 are eligible for Unreduced Early Retirement at the earlier of age 62 with 5 years of Credited Service and age 60 with 10 years of Credited Service.

Unreduced Early Retirement Benefit: The Accrued Benefit unreduced for early commencement, plus the Supplemental Pension payable to age 65.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions.

Rule of 85 Pension: Participants who terminated employment or retired before October 1, 2013 as well as Tier 1 Participants may retire from active service on the first day of the month coincident with or next following the date on which the sum of this attained age and years of Credited Service equal 85 with a benefit as defined under the Unreduced Early Retirement Benefit.

There is no Rule of 85 Pension available for Tiers 2, 3 and 4.

Late Retirement Benefit: The benefit payable for Participants who retire from active service subsequent to the Normal Retirement Date is determined as defined for the Accrued Benefit using Credited Service and Earnings through the actual date of retirement. In addition, the resulting amount is increased 1% for each of the first 60 months benefit commencement follows the Normal Retirement Date, plus 1.5% for each month thereafter.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest.

Disability Retirement Benefit: For Participants who have completed at least 10 years of Credited Service, the Accrued Benefit is payable with no reduction for commencement prior the Normal Retirement Date. This benefit is payable commencing on the first day of the month coincident with or next following the Board of Trustees' determination that the Participant is totally and permanently disabled. In addition, the Supplemental Pension is payable to age 65. The Disability Retirement Benefit is offset by benefits received under any other disability plan funded by the Employer.

In addition, if the Participant earned at least 10 years of Credited Service during employment, the Participant receives a return of Employee Contributions paid into the fund through December 31, 2011, without interest. This benefit is not payable if the Participant previously received a distribution of accumulated Employee Contributions with interest earned before May 25, 2007 at the time of termination of employment prior to retirement eligibility.

Death Benefits: The beneficiary of a non-vested or unmarried Participant who dies before having retired is due a refund of accumulated Employee Contributions with interest earned before May 25, 2007.

The beneficiary of a vested, married Participant who dies before having retired is eligible to receive a refund of accumulated Employee Contributions with interest earned before May 25, 2007 and an actuarially reduced pre-retirement joint and survivor annuity based on the assumption that the Participant retired the day before death.

The beneficiary of a Participant who dies while in active service after having earned 10 years of Credited Service receives a lump sum benefit of \$5,000. The beneficiary of a retired Participant receives a lump sum benefit of \$7,500.

Optional Forms of Benefit: The normal form of benefit payment for an unmarried Participant is a modified cash refund annuity. This is a life only annuity where the excess of the Employee Contributions accumulated with interest earned before May 25, 2007 over the total sum of pension benefits received is paid to the designated beneficiary in a single sum.

The normal form of benefit payment for a married participant is an adjusted 50% joint and survivor annuity.

Participants may optionally choose an "actuarially equivalent" single life annuity, 10 year certain and life annuity, joint and survivor annuity (with 50%, 66 2/3, or 100% continuance).

The following percentages are used to adjust the life only normal form of benefit to the joint and survivor annuity forms.

<u>J&S</u> <u>Continuation</u> <u>Percentage</u>	<u>Healthy Life</u> <u>Initial Adjustment</u> <u>Percentage</u>	<u>Disabled Life</u> <u>Initial Adjustment</u> <u>Percentage</u>	<u>Plus/Minus</u> <u>Full Years</u> <u>Beneficiary</u> <u>Older/Younger</u>
50%	88.0%	77.5%	0.4%
66-2/3%	85.5%	72.0%	0.5%
100%	79.0%	63.0%	0.6%

In no event is the percentage to be greater than 99%.

Actuarial Equivalence: Actuarial Equivalence is determined using the assumptions used in the most recent actuarial valuation of the Plan. Factors shown above for optional forms of benefit are not based on this definition of Actuarial Equivalence.

Actuarial Assumptions and Methods

The following as shown in the January 1, 2024 actuarial valuation of the Plan with the exception of the assumed net rate of investment return.

Assumed Net Rate of Investment Return: 6.5% per year. The January 1, 2024 funding valuation is based on a 7.0% per year assumed net rate of investment return.

Salary Increase – Individual: 12.5% the first eight years, 5.0% thereafter. Salary is imputed using the individual salary increase assumption and the prior calendar year Plan compensation, annualized for those hired during the year, but not less than the compensation used in the prior actuarial valuation.

Aggregate Payroll Growth: A 2.0% aggregate payroll growth assumption is used to amortize unfunded accrued liability as a level percent of payroll.

Accrued Leave Payout: Liabilities are increased 1% for Tiers 1, 2 and 3 to account for payouts of accumulated unused hours of vacation and sick leave at retirement.

Administrative Expenses: Prior year’s actual expenses added to Normal Cost

Mortality: Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for not special risk and not school instructional personnel, as follows:

The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

The following sex distinct table was used with no mortality improvement assumed:

Disabled Retiree: PubG.H-2010 (male and female set forward 3 years)

Retirement: Tier 1 Members with at least 10 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 62 and 64. Members with at least 5 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 65 and 68. Tier 1 Members who are age 69 or have met the Rule of 85 are assumed to retire immediately.

Tier 2 and 3 Members are assumed to retire at the earliest of 65 with 5 years of service, age 62 with 10 years of service, or at 33 years of service regardless of age. Tier 4 Members are assumed to retire at the earliest of 65 with 8 years of service or 62 with 10 years of service.

Termination: Unisex rates of termination are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	14.00%	5	4.50%	10	3.60%	15	3.10%
1	8.50%	6	4.00%	11	3.50%	16	3.00%
2	7.50%	7	3.90%	12	3.40%	17	2.25%
3	6.50%	8	3.80%	13	3.30%	18	1.50%
4	5.50%	9	3.70%	14	3.20%	19	1.50%
						>=20	0.00%

Disability: Unisex rates of disability are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
<=19	0.00%	30	0.01%	41	0.03%	52	0.45%
20	0.01%	31	0.01%	42	0.03%	53	0.55%
21	0.01%	32	0.01%	43	0.04%	54	0.55%
22	0.01%	33	0.01%	44	0.04%	55	0.55%
23	0.01%	34	0.01%	45	0.05%	56	0.55%
24	0.01%	35	0.02%	46	0.05%	57	0.55%
25	0.01%	36	0.02%	47	0.06%	58	0.40%
26	0.01%	37	0.02%	48	0.15%	59	0.25%
27	0.01%	38	0.02%	49	0.20%	60	0.15%
28	0.01%	39	0.02%	50	0.25%	61	0.05%
29	0.01%	40	0.02%	51	0.35%	>=62	0.00%

Form of Payment: Single members are paid a modified cash refund annuity which is valued as if they are in receipt of a 4-year certain and continuous annuity. Married members are assumed to be paid under the 50% joint and survivor form of benefit.

Marital Assumption: Members are assumed to be married while in active service according to the following percentages.

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
15-24	33%	37%	50-54	76%	64%
25-29	59%	65%	55-59	77%	58%
30-34	65%	62%	60-64	74%	50%
35-39	71%	64%	65-69	70%	23%
40-44	71%	63%	>=70	63%	15%
45-49	73%	61%			

Funding Method: Entry Age Normal (level percent of salary).

The funding method description in the valuation report on the page entitled "Glossary of Actuarial Terms."