

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

Actuarial Valuation Report as of January 1, 2026

Report to Determine Minimum Funding Requirement  
For the Plan and Fiscal Year Ending December 31, 2027







May 28, 2026

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

**RE: Actuarial Valuation as of January 1, 2026**

Dear Members of the Board:

The results of the January 1, 2026 annual actuarial valuation of the Palm Tran, Inc. Amalgamated Transit Union Local 1577 Pension Plan (the Plan) are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution requirement for the fiscal year ending December 31, 2027, and to comply with the annual disclosure requirements under Chapter 112.664, Florida Statutes, for the fiscal year ending December 31, 2025. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above, may be significantly different.

The contribution requirement in this report is determined using the actuarial assumptions and methods disclosed in Section 4 of this report. This report includes risk metrics at the end of Section 1 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data or other information through December 31, 2025. The valuation was based upon information furnished by the County and Plan Administrator concerning benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the County or Plan Administrator. Since the valuation results are dependent on the integrity of the data supplied,



Board of Trustees

RE: Actuarial Valuation as of January 1, 2026

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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.

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Description of Assumptions and Methods. The investment return assumption was prescribed by the Board and the assumed mortality rates were prescribed by Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e. not significantly optimistic or pessimistic).

We have assessed that the contribution requirement calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the System accumulating adequate assets to make benefit payments when due.

This report was prepared using Proval's valuation model, a software product of Winklevoss Technologies. We are relying on the Proval model. We performed tests of the Proval model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the Proval model. In our professional judgement, the Proval valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

The signing actuaries are independent of the plan sponsor. These actuaries meet the American Academy of Actuaries' Qualification Standards to render the actuarial opinions contained herein.

Statement by Enrolled Actuary:

"This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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





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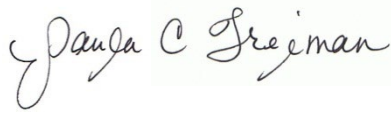
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been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.”

Gabriel, Roeder, Smith & Company will be pleased to review this Actuarial Valuation Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



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Paula C Freiman, ASA, EA, FCA  
Enrolled Actuary No. 26-5796  
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## **SECTION 1**

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### **EXECUTIVE SUMMARY**



# SECTION 1 - Executive Summary

## Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this and the last actuarial valuation follows. This Minimum Required Employer Contribution is payable on the first day of the funding year.

	For FYE 12/31/2026 Based on 1/1/2025 Valuation	For FYE 12/31/2027 Based on 1/1/2026 Valuation	Increase / (Decrease)
Minimum Required Employer Contribution As a Percent of Payroll	\$6,010,839 17.41 %	\$5,220,670 14.00 %	\$(790,169) (3.41)%

## Payment of Required Contribution

The Required Employer Contribution shown above has been adjusted for interest on the basis that contributions are made at the beginning of the fiscal year.

The actual contribution received during the year ending December 31, 2025 was \$6,066,062. The actuarially determined employer contribution was \$6,066,062.

## Revision in Benefits

There have been no revisions in benefits since the previous valuation.

## Revision in Actuarial Assumptions and Methods

Effective January 1, 2026, salary increases rates, retirement rates, rates of separation from employment, administrative expense assumption, amortization method for paying off the Unfunded Accrued Liability (from level percent of payroll to level dollar amount) were updated following an Assumption Study and Experience Investigation for the Seven Years Ended December 31, 2024, dated November 26, 2025.

Additionally, the mortality tables and improvement scales were updated to reflect the updated mortality assumptions used in the July 1, 2024 Florida Retirement System (FRS) Actuarial Valuation. Florida Statutes Chapter 112.63 mandates that local municipal pension plans use the mortality rates in either of the last two published FRS valuation reports. Please see the Actuarial Assumptions and Cost Method subsection of this report for additional information on the revised assumptions.

The assumption changes described above decreased the Required Employer Contribution by \$827,750 or 3.01% of covered payroll.



## Actuarial Experience

There was a net actuarial gain of \$227,112 for the year which means that actual experience was more favorable than anticipated. The gain is primarily due to lower salaries for continuing active members (4.7% actual as compared to 9.1% expected). This gain was partially offset by investment losses based on the actuarial (smoothed) value of assets. The investment return was 6.1% based on the actuarial value of assets versus 7.0% expected. The return based on market value of assets was 14.3%.

## Funded Ratio

This year's funded ratio is 91.40% compared to last year's funded ratio of 89.2%. The funded ratio before reflecting the change in assumptions was 90.4%. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

## Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by \$7,738,919 as of the valuation date. This difference will be gradually recognized over the next several years. In turn, the computed employer contribution rate will decrease by approximately 1.8% of covered payroll over the same period in the absence of offsetting losses.

## Relationship to Market Value

If Market Value had been the basis for the valuation, the Employer contribution rate would have been 12.2% and the funded ratio would have been 95.7%. In the absence of other gains and losses, the employer contribution rate should decrease to that level over the next several years.

## 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. Other historical information provided in this report 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. The following provides examples of potential risk.

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.



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%.

<b>Funded Status on Market Value of Assets Basis</b>						
<b>Valuation As of January 1,</b>	<b>2% Decrease</b>	<b>1% Decrease</b>	<b>Valuation Net Assumed Return</b>	<b>1% Increase</b>	<b>2% Increase</b>	<b>Valuation Net Assumed Return</b>
2026	78.22%	86.82%	95.70%	104.81%	114.13%	7.00%
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.

Salary and Payroll Risk: Actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from that expected.

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.

<b>Year Ending December 31,</b>	<b>Market Value of Assets</b>	<b>Covered Valuation Payroll</b>	<b>Asset Volatility Ratio</b>
2025	\$172,251,348	\$36,569,254	4.7
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.

<b>Year Ending December 31,</b>	<b>Benefit Payments</b>	<b>Contributions</b>	<b>Ratio of Benefit Payments to Contributions</b>
2025	\$10,259,161	\$7,227,826	1.42
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.

<b>Year Ending December 31,</b>	<b>Contributions</b>	<b>Disbursements</b>	<b>Assets</b>	<b>Net Cash Flow Divided by Assets</b>
2025	\$7,227,826	\$10,574,351	\$172,251,348	(0.02)
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



Additional risk assessment is outside the scope of this actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

## Low-Default-Risk Obligation Measure

This section addresses 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. The net assumed rate of return for funding purposes is shown as well as the rate used to determine the LDROM. The LDROM Accrued Liability for January 1, 2024 and 2025 were based on the S&P Municipal Bond 20 Year High Grade Rate Index (yield to maturity). Effective January 1, 2026 the Bond Buyer "20-Bond GO Index" is the basis for the LDROM Accrued Liability. 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.

<b>Valuation Date</b>	<b>Funding Accrued Liability</b>	<b>Funding Net Assumed Return</b>	<b>LDROM Accrued Liability</b>	<b>LDROM Rate</b>
01/01/2026	\$179,996,977	7.00%	\$224,333,506	4.83%
01/01/2025	\$177,505,125	7.00%	\$235,751,560	4.28%
01/01/2024	\$172,025,313	7.00%	\$236,400,343	4.00%





## **SECTION 2**

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### **RESULTS DERIVATION**



## 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, 2024		December 31, 2025	
Money Market	\$8,340,949	5 %	\$2,916,782	2 %
Fixed Income Securities	49,216,430	32 %	58,691,651	34 %
Equity Securities	98,601,177	65 %	108,824,524	63 %
Real Estate Funds	9,404,486	6 %	7,322,139	4 %
Net Receivables	<u>(11,751,966)</u>	<u>(8)%</u>	<u>(5,503,748)</u>	<u>(3)%</u>
Total Assets	\$153,811,076	100 %	\$172,251,348	100 %



## Reconciliation of Assets

Year Ending Asset Value Type	December 31, 2025	
	Market Value	Actuarial Value
1. Value as of Beginning of Year	\$153,811,076	\$158,361,723
2. Contributions		
a. Employer	\$6,066,062	
b. Employee	<u>1,161,764</u>	
d. Total Contributions	\$7,227,826	\$7,227,826
3. Investment Income		
a. Realized Gain or (Loss)	\$1,696,850	
b. Unrealized Gain or (Loss)	16,346,713	
c. Interest and Dividends	4,026,313	
d. Other Income	263	
e. Investment Expenses	<u>(283,342)</u>	
f. Net Investment Income	\$21,786,797	\$9,497,231
4. Deductions		
a. Benefit Payments	\$(9,684,423)	
b. Refunds	(574,738)	
c. Administrative Expenses	<u>(315,190)</u>	
d. Total Deductions	\$(10,574,351)	\$(10,574,351)
5. Value as of End of Year	\$172,251,348	\$164,512,429
6. Return on Investments	14.32 %	6.06 %



## Development of Actuarial Value of Assets

The Market Value of Assets is adjusted to recognize investment earnings greater than (or less than) the assumed net investment return over a five-year period. The Actuarial Value of Assets is no more than 120% and no less than 80% of the Market Value of Assets.

1. Market Value of Assets of January 1, 2026 \$172,251,348

2. Phase-In of Gains or (Losses) for Previous Five Years

Year Ending	Gain or (Loss)	Percentage Recognized	Unrecognized Gain (Loss)
12/31/2025	\$10,924,838	20%	\$8,739,870
12/31/2024	7,675,615	40%	4,605,369
12/31/2023	4,274,211	60%	1,709,684
12/31/2022	(36,580,018)	80%	<u>(7,316,004)</u>
		Total	\$7,738,919

3. Preliminary Actuarial Value = (1) - (2) \$164,512,429

4. Corridor Around Market Value

- a. Minimum = 80% x Market Value of Assets \$137,801,078
- b. Maximum = 120% x Market Value of Assets 206,701,618
- c. Corridor Adjustment 0

5. Actuarial Value of Assets of January 1, 2026 \$164,512,429



## Development of Historical Gain or Loss on Market Value of Assets

	<b>2025</b>	<b>2024</b>
1. Market Value of Assets - Beginning of Year	\$153,811,076	\$138,652,858
2. Contributions	7,227,826	7,288,880
3. Benefit Payments and Administrative Expense	(10,574,351)	(9,641,548)
4. Interest	<u>10,861,959</u>	<u>9,835,271</u>
5. Expected Value of Assets at End of Year	\$161,326,510	\$146,135,461
6. Market Value of Assets - End of Year	\$172,251,348	\$153,811,076
7. Gain (Loss) for Plan Year	\$10,924,838	\$7,675,615
	<b>2023</b>	<b>2022</b>
1. Market Value of Assets - Beginning of Year	\$127,446,195	\$154,520,407
2. Contributions	7,239,163	7,403,398
3. Benefit Payments and Administrative Expense	(9,370,012)	(8,885,817)
4. Interest	<u>9,063,301</u>	<u>10,988,225</u>
5. Expected Value of Assets at End of Year	\$134,378,647	\$164,026,213
6. Market Value of Assets - End of Year	\$138,652,858	\$127,446,195
7. Gain (Loss) for Plan Year	\$4,274,211	\$(36,580,018)



## Historical Asset Information

Year Ending December 31	Asset Values		Return on Investments		
	Market	Actuarial	Market	Actuarial	Expected
2025	\$172,251,348	\$164,512,429	14.32%	6.06%	7.00%
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%	

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



## Historical Contribution Information

Year Ending December 31,	Employer Contributions		Member Contributions	
	Dollars	% of Pay	Dollars	% of Pay
2025	\$6,066,062	15.8 %	\$1,161,764	3.0 %
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: Employer 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
12/31/2025	\$(10,259,161)	\$(315,190)	\$(10,574,351)
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,	2025	Before Assumption Changes 2026	After Assumption Changes 2026
<b>1. Active Members</b>			
a. Retirement Benefits	\$110,441,182	\$107,242,660	\$93,612,770
b. Termination Benefits	4,563,436	4,664,903	3,584,964
c. Survivor Benefits	407,654	402,496	347,355
d. Disability Retirement	<u>1,749,974</u>	<u>1,700,815</u>	<u>1,324,779</u>
e. Total for Active Members	\$117,162,246	\$114,010,874	\$98,869,868
<b>2. Vested Terminated Members</b>	\$8,057,694	\$8,545,563	\$8,732,212
<b>3. Members in Payment Status</b>			
a. Retirees	\$79,612,433	\$86,794,204	\$87,543,169
b. Beneficiaries	6,229,234	6,745,709	6,761,117
c. Disability Retirees	<u>3,276,550</u>	<u>3,215,254</u>	<u>3,316,830</u>
d. Total	\$89,118,217	\$96,755,167	\$97,621,116
<b>4. Present Value of Benefits (PVB)</b>	\$214,338,157	\$219,311,604	\$205,223,196



## Accrued Liability

Year Beginning January 1,	2025	Before Assumption Changes 2026	After Assumption Changes 2026
<b>1. Active Members</b>			
a. Retirement Benefits	\$78,684,996	\$75,011,783	\$72,193,992
b. Termination Benefits	652,493	696,460	525,076
c. Survivor Benefits	188,029	181,617	198,292
d. Disability Retirement	<u>803,696</u>	<u>757,032</u>	<u>726,289</u>
e. Total for Active Members	\$80,329,214	\$76,646,892	\$73,643,649
<b>2. Vested Terminated Members</b>	\$8,057,694	\$8,545,563	\$8,732,212
<b>3. Members in Payment Status</b>			
a. Retirees	\$79,612,433	\$86,794,204	\$87,543,169
b. Beneficiaries	6,229,234	6,745,709	6,761,117
c. Disability Retirees	<u>3,276,550</u>	<u>3,215,254</u>	<u>3,316,830</u>
d. Total	\$89,118,217	\$96,755,167	\$97,621,116
<b>4. Accrued Liability (AL)</b>	\$177,505,125	\$181,947,622	\$179,996,977



## Normal Cost

Year Beginning January 1,	2025	Before Assumption Changes 2026	After Assumption Changes 2026
<b>1. Preliminary Normal Cost</b>			
a. Retirement Benefits	\$3,696,050	\$3,782,001	\$3,121,767
b. Termination Benefits	460,878	471,878	405,708
c. Survivor Benefits	24,535	24,738	20,768
d. Disability Retirement	<u>94,598</u>	<u>92,897</u>	<u>72,194</u>
e. Preliminary Normal Cost	\$4,276,061	\$4,371,514	\$3,620,437
<b>2. Total Normal Cost</b>			
a. Preliminary Normal Cost	\$4,276,061	\$4,371,514	\$3,620,437
b. Administrative Expenses	<u>295,327</u>	<u>315,190</u>	<u>305,259</u>
c. Total Normal Cost - Dollar Amount	\$4,571,388	\$4,686,704	\$3,925,696
d. Total Normal Cost - Percent of Pay	13.50 %	13.45 %	10.73 %
<b>3. Actual Employer Normal Cost</b>			
a. Preliminary Normal Cost	\$4,276,061		
b. Actual Administrative Expense	315,190		
c. Actual Employee Contributions	<u>(1,161,764)</u>		
d. Actual Employer Normal Cost	\$3,429,487		
<b>4. Valuation Payroll</b>	\$33,854,954	\$34,852,051	\$36,569,254
<b>5. Administrative Expense Load</b>			
b. Actual Administrative Expense 2 Years Prior			\$295,327
c. Actual Administrative Expense Prior Year			\$315,190
d. Two-Year Average of Administrative Expense			\$305,259



## Unfunded Accrued Liability

As of January 1,

2026

### Unfunded Accrued Liability

1. Accrued Liability	\$179,996,977
2. Actuarial Value of Assets	<u>164,512,429</u>
3. Unfunded Accrued Liability	\$15,484,548

### Determination of Expected Unfunded Accrued Liability

1. Unfunded Accrued Liability at Begin of Prior Year	\$19,143,402
2. Employer Normal Cost (Including Administrative Expenses)	3,429,487
3. Interest for a full year on (1) and (2)	1,580,102
4. Employer Contribution	(6,066,062)
5. Interest on Contribution for Time on Deposit	(424,624)
6. Change in Plan, Methods or Assumptions	<u>(1,950,645)</u>
7. Expected Unfunded Accrued Liability	\$15,711,660

### Calculation of (Gain) or Loss

1. Actual Unfunded Accrued Liability	\$15,484,548
2. Expected Unfunded Accrued Liability	<u>15,711,660</u>
3. Total (Gain) or Loss	\$(227,112)
4. Breakdown of (Gain) or Loss	
a. (Gain) / Loss Due to Investments	\$1,683,273
b. (Gain) / Loss Due to Demographic Experience	<u>(1,910,385)</u>
c. Total (Gain) or Loss	\$(227,112)

### Calculation of Actuarial Asset (Gain) or Loss

1. Actuarial Value of Assets - Beginning of Year	\$158,361,723
2. Contributions	7,227,826
3. Benefit Payments plus Administrative Expense	(10,574,351)
4. Interest	<u>11,180,504</u>
5. Expected Value of Assets at End of Year	\$166,195,702
6. Actuarial Value of Assets - End of Year	\$164,512,429
7. Actual Investment Return	\$9,497,231
8. Gain (Loss) for Plan Year	\$(1,683,273)
9. Actual % Return	6.06 %



## Amortization Bases

	Date of Origin 1/1	Source	Remaining Balance	Adjusted Balance	Years Remain	Amort. Payment Before Changes	Amort. Payment After Changes
1.	1997	Plan Amendment	96,942	93,250	1	93,250	93,250
2.	1999	Plan Amendment	11,489	11,051	3	3,861	3,936
3.	2000	Plan Amendment	966,014	929,208	4	249,234	256,382
4.	2003	Funding Method	2,967,722	2,854,649	7	468,617	495,037
5.	2003	Asset Method	(2,887,842)	(2,777,813)	7	(456,004)	(481,712)
6.	2003	Assumption Change	(906,816)	(872,266)	7	(143,191)	(151,263)
7.	2004	(Gain) Loss	69,631	66,978	8	9,840	10,483
8.	2005	(Gain) Loss	1,690,044	1,625,652	9	217,075	233,192
9.	2006	(Gain) Loss	372,395	358,206	10	44,011	47,664
10.	2007	(Gain) Loss	1,181,182	1,136,178	11	129,721	141,605
11.	2008	Plan Amendment	(3,466)	(3,334)	12	(357)	(392)
12.	2008	(Gain) Loss	344,806	331,669	12	35,475	39,026
13.	2009	(Gain) Loss	5,804,022	5,582,884	13	563,219	624,296
14.	2009	Assumption Change	3,779,187	3,635,197	13	366,730	406,499
15.	2010	(Gain) Loss	(1,329,221)	(1,278,577)	14	(122,360)	(136,634)
16.	2010	Assumption Change	708,081	681,102	14	65,182	72,786
17.	2011	(Gain) Loss	961,602	924,964	15	84,387	94,912
18.	2012	Plan Amendment	(1,130,968)	(1,087,877)	16	(95,021)	(107,626)
19.	2012	(Gain) Loss	861,153	828,342	16	72,352	81,950
20.	2013	(Gain) Loss	2,147,576	2,065,751	17	173,392	197,743
21.	2014	Plan Amendment	(2,587,362)	(2,488,781)	18	(201,405)	(231,230)
22.	2014	(Gain) Loss	(3,554,432)	(3,419,005)	18	(276,684)	(317,656)
23.	2015	(Gain) Loss	831,801	800,109	19	62,608	72,349
24.	2016	(Gain) Loss	(690,678)	(664,363)	15	(60,612)	(68,171)
25.	2016	Assumption Change	1,162,832	1,118,527	15	102,046	114,774
26.	2017	(Gain) Loss	1,480,513	1,424,104	16	124,389	140,890
27.	2018	Assumption Change	(419,457)	(403,475)	17	(33,866)	(38,622)
28.	2018	(Gain) Loss	(1,199,063)	(1,153,378)	17	(96,810)	(110,407)
29.	2019	Assumption Change	2,592,809	2,494,021	18	201,829	231,717
30.	2019	(Gain) Loss	1,668,672	1,605,094	18	129,893	149,128
31.	2020	(Gain) Loss	787,769	757,754	19	59,294	68,519
32.	2020	Assumption Change	1,382,709	1,330,027	19	104,074	120,266
33.	2021	(Gain) Loss	(3,541,959)	(3,407,007)	20	(258,450)	(300,558)
34.	2021	Assumption Change	3,031,021	2,915,536	20	221,168	257,202
35.	2022	(Gain) Loss	(5,690,887)	(5,474,059)	21	(403,499)	(472,145)
36.	2022	Assumption Change	3,325,688	3,198,976	21	235,800	275,916
37.	2023	(Gain) Loss	1,599,397	1,538,459	22	110,422	129,987
38.	2024	(Gain) Loss	1,669,579	1,605,967	23	112,451	133,151
39.	2025	(Gain) Loss	809,425	778,585	24	53,276	63,443
40.	2026	(Gain) Loss	(227,112)	(227,112)	25	(15,211)	(18,214)
41.	2026	Assumption Change	(1,950,645)	(1,950,645)	25	N/A	(156,435)
		<b>Totals</b>	<b>\$16,184,153</b>	<b>\$15,484,548</b>		<b>\$1,930,126</b>	<b>\$1,965,038</b>



## Amortization of Unfunded Accrued Liability

The Unfunded Actuarial Accrued Liability is being amortized as a level dollar amount. In the January 1, 2025 valuation, the UAL was amortized as a level percentage of payroll based on interest and 2.0% 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 period of 25 years. Prior to January 1, 2016 a 30-year amortization period was used.

The required contributions calculated each year include a payment for the amortization of the unfunded actuarial accrued liability.

## Projected Unfunded Accrued Liability and Amortization Payments

Year	Outstanding	Amortization
Beginning	Bases	Payment
January 1,		
2026	\$15,484,548	\$1,965,038
2027	14,465,876	1,871,781
2028	13,475,681	1,871,781
2029	12,416,174	1,867,846
2030	11,286,711	1,611,464
2031	10,352,514	1,611,464
2032	9,352,923	1,611,464
2033	8,283,362	1,749,403
2034	6,991,335	1,738,920
2035	5,620,084	1,505,728
2036	4,402,361	1,458,064
2037	3,150,397	1,316,459
2038	1,962,314	1,277,826
2039	732,402	247,030
2040	519,348	310,879
2041	223,061	169,364
2042	57,456	54,151
2043	3,537	5,437
2044	(2,033)	173,479
2045	(187,798)	(87,654)
2046	(107,154)	(44,298)
2047	(67,256)	151,932
2048	(234,531)	21,945
2049	(274,429)	(111,206)
2050	(174,649)	(174,649)
2051	0	0



## Minimum Funding Requirements

		Before Assumption Changes	After Assumption Changes
<b>Valuation for Year Beginning January 1</b>	<b>2025</b>	<b>2026</b>	<b>2026</b>
<b>1. Contributions Payable at Valuation Date</b>	<b>2025</b>	<b>2026</b>	<b>2026</b>
a. Total Normal Cost (Including Employee Contributions)	\$4,571,388	\$4,686,704	\$3,925,696
b. Amortization of Unfunded Accrued Liability	<u>1,982,738</u>	<u>1,930,126</u>	<u>1,965,038</u>
c. Preliminary Total Required Contribution BO Valuation Year	\$6,554,126	\$6,616,830	\$5,890,734
<b>2. Projected Contributions Payable Beginning of Funding Year</b>	<b>2026</b>	<b>2027</b>	<b>2027</b>
a. Employer Minimum Required Contribution	\$6,010,839	\$6,048,420	\$5,220,670
b. Expected Employee Contributions	<u>1,035,962</u>	<u>1,066,473</u>	<u>1,119,019</u>
c. Total Required Contribution	\$7,046,801	\$7,114,893	\$6,339,689
d. Employer Minimum Required Contribution	17.41 %	17.01 %	14.00 %
e. Expected Employee Contributions	<u>3.00 %</u>	<u>3.00 %</u>	<u>3.00 %</u>
f. Total Required Contribution	20.41 %	20.01 %	17.00 %
<b>3. Valuation Payroll</b>			
a. Year Beginning on Valuation Date	\$33,854,954	\$34,852,051	\$36,569,254
b. Year Ending in Funding Year	\$34,532,053	\$35,549,092	\$37,300,639
<b>4. Employer Funding Required for Year Beginning January 1</b>	<b>2026</b>	<b>2027</b>	<b>2027</b>
a. January 1	\$6,010,839	\$6,048,420	\$5,220,670
b. April 1	--	--	--
c. July 1	--	--	--
d. October 1	--	--	--
e. Total Required Contributions - \$ Amount	\$6,010,839	\$6,048,420	\$5,220,670
f. <b>Total Required Contributions - % of Pay</b>	<b>17.41 %</b>	<b>17.01 %</b>	<b>14.00 %</b>

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.



## **SECTION 3**

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### **ACCOUNTING INFORMATION**



# SECTION 3 - ACCOUNTING INFORMATION

## Information Required by GASB 67/68

A supplemental report provides information under the Governmental Accounting Standards Board No. 67/68.



## Statement of Accumulated Plan Benefits

The present value of accrued benefits is an estimate of the liability for all benefits accrued to date.

Year Beginning January 1,	2025	2026
1. Actuarial present value of accumulated plan benefits		
a. Participants currently receiving benefits	\$89,118,217	\$97,621,116
b. Other participants	<u>71,409,047</u>	<u>67,465,914</u>
c. Total vested plan benefits	\$160,527,264	\$165,087,030
d. Total non-vested plan benefits	<u>3,624,592</u>	<u>3,795,210</u>
e. Total accumulated plan benefits	\$164,151,856	\$168,882,240
2. Change in actuarial present value of accumulated plan benefits		
a. Accumulated plan benefits beginning of year		\$164,151,856
b. Increase (decrease) during year due to:		
i. Plan amendment		\$0
ii. Change in assumptions or methods		(311,379)
iii. Increase for interest and probability of payment due to decrease in discount period and benefits accrued		15,300,924
iv. Benefits paid		(10,259,161)
v. Other changes		<u>0</u>
vi. Net increase (decrease)		\$4,730,384
c. Accumulated plan benefits end of year		\$168,882,240

## Other Disclosures Required by the State of Florida

Year Beginning January 1,	2025	2026
Present value of active member:		
Future salaries (attained age)	\$325,981,981	\$282,253,685
Future contributions (attained age)	\$9,779,459	\$8,467,611
Employee contributions (with interest to 5/25/07)	\$8,370,063	\$8,251,560



## 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	\$220,226,939	\$179,996,977	\$150,924,557
Plan fiduciary net position	<u>(172,251,348)</u>	<u>(172,251,348)</u>	<u>(172,251,348)</u>
Net pension liability	<u>\$47,975,591</u>	<u>\$7,745,629</u>	<u>\$(21,326,791)</u>
Plan fiduciary net position as a percentage of the total pension liability	78.22%	95.70%	114.13%
Years of benefit payments:			
Expected for current members:	96	96	96
Paid for with current assets:	19.40	96.00	96.00
Employer Plus Expected Employee Contributions			
Dollar Amount	\$10,797,642	\$6,339,689	\$3,112,581
Percent of Payroll	28.95%	17.00%	8.34%
Increase (Decrease)	\$4,457,953		\$(3,227,108)



## 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,	2025	2024	2023	2022	2021
Net assumed rate of return	7.00%	7.00%	7.00%	7.00%	7.25%
Actual rate of return	14.32%	12.74%	10.55%	(16.64%)	12.40%
Percentages of assets in:					
Cash	(1%)	(3%)	1%	2%	(2%)
Equity	63%	65%	61%	46%	54%
Bond	34%	32%	29%	34%	34%
Alternative	<u>4%</u>	<u>6%</u>	<u>9%</u>	<u>18%</u>	<u>14%</u>
Total	100%	100%	100%	100%	100%



## **SECTION 4**

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### **SUPPLEMENTARY INFORMATION**



# SECTION 4 - SUPPLEMENTARY INFORMATION

## Summary of Participant Data

### Member Statistics

As of January 1,	2025	2026
<u>Active Participants</u>		
Number	560	562
Average Age	51.3	51.2
Average Credited Service	9.9	9.4
Percent Male	60.7	60.9
Average Valuation Salary	\$66,477	\$66,362
Total Valuation Salary (Year Ending as of Date)	\$37,226,956	\$37,295,298
Total Valuation Salary (Imputed)	\$40,320,195	\$39,517,832
Payroll Covered in Valuation	\$33,854,954	\$36,569,254
<u>Terminated with Rights to Deferred Benefits</u>		
Number	119	124
Average Age	55.1	55.7
Percent Male	50.4	50.0
Average Monthly Benefit	\$641	\$636
Annuities Inforce	\$914,824	\$945,953
<u>Service Retirements</u>		
Number	372	388
Average Age	73.1	73.0
Percent Male	72.0	71.4
Average Monthly Benefit	\$1,849	\$1,924
Annuities Inforce	\$8,254,385	\$8,957,878
<u>Beneficiaries</u>		
Number	72	78
Average Age	72.9	73.5
Percent Male	16.7	18.0
Average Monthly Benefit	\$798	\$837
Annuities Inforce	\$689,398	\$783,677
<u>Disability Retirements</u>		
Number	20	20
Average Age	62.3	63.3
Percent Male	55.0	55.0
Average Monthly Benefit	\$1,494	\$1,494
Annuities Inforce	\$358,584	\$358,584



## Number of Active Members by Age and Service as of January 1, 2026

Age	Service							Total
	< 1	< 5	< 10	< 15	< 20	< 25	25+	
< 25	1	9						10
< 30		14						14
< 35	3	15	2	1				21
< 40	2	14	11	10				37
< 45	3	21	14	16	5	1		60
< 50	4	25	12	20	8	8		77
< 55	5	29	33	10	9	4	6	96
< 60	4	34	15	26	9	20	12	120
< 65	3	18	14	14	13	8	10	80
< 70		4	9	10	5	3	6	37
70+	1	2	2	2	1		2	10
Total	26	185	112	109	50	44	36	562

## Average Active Valuation Pay by Age and Service as of January 1, 2026

Age	Service							Total
	< 1	< 5	< 10	< 15	< 20	< 25	25+	
< 25	21,826	46,188						43,751
< 30		60,178						60,178
< 35	28,922	64,316	74,254	81,724				61,035
< 40	38,204	64,326	58,816	67,904				62,243
< 45	41,841	54,053	66,750	69,203	77,742	57,875		62,483
< 50	21,822	62,717	57,462	74,678	84,439	86,199		67,577
< 55	26,930	56,608	64,359	75,802	76,856	75,843	90,701	64,556
< 60	38,809	55,840	66,636	76,978	72,143	91,805	75,855	70,420
< 65	30,772	54,259	64,488	71,039	76,985	87,409	81,741	68,548
< 70		50,400	71,703	71,402	83,179	79,361	76,672	72,296
70+	55,840	58,831	53,558	66,962	90,387		83,325	67,158
Total	32,148	57,636	64,269	73,059	78,246	86,916	80,516	66,362



## Reconciliation of Plan Participants

	Active	Terminated Vested	Retired	Beneficiary	Disabled	Total
<b>As of January 1, 2025</b>	560	119	372	72	20	1,143
Vested Terminations	(11)	11				0
Nonvested Terminations	(36)					(36)
Retired	(26)	(5)	31			0
Disabled						0
Deaths with Survivor	(2)		(6)	8		0
Deaths with No Survivor	(1)		(9)	(2)		(12)
New Hires	78	(1)				77
Correction						0
<b>As of January 1, 2026</b>	562	124	388	78	20	1,172



## 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 1<sup>st</sup> and ending December 31<sup>st</sup>.

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. However, the commencement of the monthly benefit must be at least six months after accumulated Employee Contributions with interest earned before May 25, 2007 was payable.

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.

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.

J&S Continuation Percentage	Healthy Life Initial Adjustment Percentage	Disabled Life Initial Adjustment Percentage	Plus/Minus Full Years Beneficiary Older/Younger
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

Net Assumed Rate of Investment Return: 7.0% per year

Salary Increase – Individual: In the prior valuation, individual salary increases were 12.5% the first eight years, 5.0% thereafter. The following shows individual salary increases used in the current valuation of the Plan.

<u>Service</u>	<u>Unisex</u>	<u>Service</u>	<u>Unisex</u>
0-2	9.50%	13-14	3.50%
3-6	7.50%	15-17	3.25%
7-10	5.00%	18+	3.00%
11-12	4.50%		

Salary 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.

Inflation: In the prior valuation, the underlying inflation assumption was 2.0%. In the current valuation, inflation is assumed at 2.5% per year.

Aggregate Payroll Growth: In the prior valuation, a 2.0% aggregate payroll growth assumption was used to amortize unfunded accrued liability as a level percent of payroll. For the current valuation, unfunded accrued liability is being amortized in a level dollar amount based on the net assumed investment return assumption.

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: In the prior valuation the previous year's actual expenses were added to Normal Cost. For the current valuation, a two-year average of actual expenses is 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.

In the prior valuation, 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)



The following is used in the current actuarial valuation. The following sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2021.

Active:	Male:	PubG.H-2010 male employee set back 1 year
	Female:	PubG.H-2010 female employee
Healthy Retiree:	Male:	PubG.H-2010 male healthy retiree set back 1 year
	Female:	PubG.H-2010 female healthy retiree
Beneficiaries:	Male:	PubG.H-2010 male healthy retiree set back 1 year
	Female:	PubG.H-2010 female healthy retiree
Disabled Retiree:	Male:	PubG.H-2010 male disabled retiree set forward 4 years
	Female:	PubG.H-2010 female disabled retiree set forward 4 years

**Retirement:** In the prior actuarial valuation, Tier 1 Members with at least 10 years of service and who had not reached the Rule of 85 retired at a rate of 10% between age 62 and 64. Members with at least 5 years of service and who had not reached the Rule of 85 retired at a rate of 10% between age 65 and 68. Tier 1 Members who were age 69 or met the Rule of 85 were assumed to retire immediately. Tier 2 and 3 Members were 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 were assumed to retire at the earliest of 65 with 8 years of service or 62 with 10 years of service.

In the current actuarial valuation, 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 55 and 59, 25% at age 60, 50% at age 65 and 35% at ages 61 through 64 and 66 through 69. Tier 1 Members who are age 70 or met the Rule of 85 were assumed to retire immediately. Members under Tier 2-4 are assumed to retire at the following rates:

Age	Tier 2 and 3				Tier 4		
	0-4	5-9	10-32	>=33	0-7	8-9	>=10
<=54	-	-	-	100%	-	-	-
55-59	-	-	5%	100%	-	-	5%
60	-	-	7%	100%	-	-	7%
61-64	-	-	25%	100%	-	-	25%
65	-	25%	35%	100%	-	25%	35%
66-69	-	50%	50%	100%	-	50%	50%
>=70	-	100%	100%	100%	-	100%	100%

**Termination:** In the prior actuarial valuation, unisex rates of termination were as follows:

Service	Rate	Service	Rate	Service	Rate	Service	Rate
0	14.0%	5	4.5%	10	3.6%	15	3.1%
1	8.5%	6	4.0%	11	3.5%	16	3.0%
2	7.5%	7	3.9%	12	3.4%	17	2.3%
3	6.5%	8	3.8%	13	3.3%	18	1.5%
4	5.5%	9	3.7%	14	3.2%	19	1.5%
						>=20	0.0%



In the current actuarial valuation, 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	15.0%	5	6.0%	10	4.0%	15	3.0%
1	15.0%	6	6.0%	11	4.0%	16	2.5%
2	15.0%	7	6.0%	12	3.0%	17	2.5%
3	9.0%	8	4.0%	13	3.0%	18	2.5%
4	9.0%	9	4.0%	14	3.0%	19	2.5%
						>=20	2.0%

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, less any reserve of State contributions.

