



The following assumptions have been changed during the last few plan years:

1. Effective October 1, 1997:
 - The post-retirement mortality table was changed to the 1983 Group Annuity Mortality Table.

2. Effective October 1, 1999:
 - a) The actuarial value of assets reflects a "fresh start" at market value, beginning a new five-year phase-in of gains and losses.
 - b) The actuarial cost method was changed from frozen entry age to entry age.

3. Effective October 1, 2006:
 - a) The retirement decrement was changed to the earlier of age 55 or attainment of 22 years of service. This assumption has been changed to better reflect anticipated retirement behavior as a result of the change in plan provisions effective October 1, 2006.
 - b) The percentage of active members assumed married was changed from 95% to 75%. This assumption was changed after a review of the marital status of recent retirees and current active members.
 - c) On October 1, 2006, the Actuarial Value of Assets was changed to be equal to the Market Value of Assets, adjusted to reflect a five-year phase-in of the difference between the expected return on Actuarial Value of Assets and the actual investment return. The new method was applied retroactively so that five years of excess returns are smoothed in 2006. The prior Actuarial Value of Assets was equal to the Market Value of Assets adjusted to reflect a five-year phase-in of the net investment gain or loss.
 - d) It is assumed that members who enter the DROP on or after October 1, 2006 will participate in the DROP for eight years. Therefore, the COLA payment to these members will be deferred eight years.

4. Effective October 1, 2010:
 - a) Age and service-based retirement rates were added for members with less than ten years of service as of September 30, 2011.

5. Effective October 1, 2012:
 - a) Age and service-based retirement rates were updated to reflect the passage of Ordinance No. O-2013-18.



6. Effective October 1, 2015:
 - a) Retirement rates were revised to evaluate the impact of the change in eligibility for normal retirement for members not vested on September 30, 2011 as a result of Ordinance Change effective September 2015.
 - b) A pre-funding method was adopted for anticipated Supplemental Distribution payments. To estimate the future Supplemental Distributions, 1,000 100-year scenarios of returns were randomly generated based on the plan's capital market assumptions and asset allocations. Based on these return scenarios and the plan's projected liabilities for the closed employee group eligible for the supplemental distributions and the plan's projected assets, an estimate of distributions and the present value of these distributions under each scenario is determined. The median present value of the 1,000 scenarios is used to estimate the increase in the plan's unfunded liability to fund all future supplemental distributions. This process will be replicated in future actuarial valuations to determine any unfunded liability associated with future supplemental distributions.
 - c) The amortization period for all future changes in the unfunded liability will be a closed 20-year period.
7. Effective October 1, 2016:
 - a) The mortality assumption was updated to comply with Florida Statute 112.63(1)(f).
8. Effective October 1, 2017:
 - a) The payroll growth assumption for amortization bases established on or after October 1, 2017 was reduced to 0%.
9. Effective October 1, 2018:
 - a) Retirement rates were revised to reflect the change in eligibility for retirement and entry into the DROP and RPRB programs.
10. Effective October 1, 2019:
 - a) The mortality assumption was updated based on Florida Statute 112.63(1)(f). The mortality tables were updated based on the assumptions adopted by the Florida Retirement System for use in the July 1, 2019 actuarial valuation.

* **Note: Assumption and Method changes that have first been reflected in this valuation are shown in bold print.**



1. Membership Groups

• **Group 1 Restored Member:**

- Members employed or who were hired on or before September 30, 2011 and eligible to retire on or before September 30, 2020 based on a normal retirement date of age 50 or 22 years of continuous service.

• **Group 2 Restored Member:**

- Members employed or who were hired on or before September 30, 2011 and eligible to retire after September 30, 2020 based on a normal retirement date of age 50 or 22 years of continuous service.

• **Group 3 Member:**

- Members who were hired after September 30, 2011.

2. Monthly Accrued Benefit

Group 1 and Group 2 Members:

- 3% of average monthly earnings multiplied by service to 20 years plus 4% multiplied by service over 20 years with a maximum of 80% of average monthly earnings. The full 80% is earned at 22 years of service (resulting in a 12% of earnings increase in benefit at the moment the member attains 22 years of service).

Group 3 Members:

- 3% of average monthly earnings multiplied by service to 21 years plus an additional 12% upon completion of 22 years of service. The maximum 75% is earned at 22 years of service.

3. Average Monthly Earnings

Group 1 and Group 2 Members:

- The average of the highest three years of compensation prior to retirement or termination. Earnings include salary, overtime pay not to exceed 300 hours per year, longevity pay, assignment pay, payments for accrued holiday time (not to exceed 130 hours for Group 2 Members), payments for accrued blood time, and payments for accrued compensatory time, but shall not include payments for unused sick time or for unused vacation time.

Group 3 Members:

- The average of the highest 60 consecutive months of the last 120 months of credited service prior to retirement or termination. Earnings shall include salary, overtime pay not to exceed 200 hours per year, longevity pay, assignment pay, and payments for accrued holiday time not to exceed 130 hours per year. Earnings shall not include payments for accrued blood time, annual “cash-out” payments for accrued vacation time, payments for accrued compensatory time and payments for unused sick time which is paid upon retirement or termination.



4. Normal Retirement Age and Benefit

- **Eligibility:**
 - Group 1 and Group 2 Members:
 - Age 50, or
 - Any age upon attainment of 22 years of service
 - Group 3 Members:
 - Age 55 with 10 years of service, or
 - Any age upon attainment of 22 years of service
- **Amount:** Monthly Accrued Benefit
- **Form of Payment:**
 - Married Member: Life annuity with ten years certain, with a 50% survivor annuity payable to the spouse until death or remarriage
 - Unmarried Member: Life annuity with ten years certain

5. Disability Retirement Age and Benefit

• **Condition**

For a service-connected disability benefit, the member must become totally and permanently disabled in the line of duty and must have applied for Social Security disability benefits as well as worker's compensation benefits, if applicable.

For a non-service connected disability benefit, the member must become totally and permanently disabled, must have at least five years of service, and must have applied for Social Security disability benefits as well as worker's compensation benefits, if applicable.

• **Amount**

For a service-connected disability benefit:

Greater of monthly accrued benefit or 50% of earnings at the time of determination of disability.



For a non-service connected disability benefit:

2½% of average monthly earnings multiplied by service, with a minimum benefit of 25% of earnings at the time of determination of disability. The benefit will be offset by any worker's compensation, Social Security, pension, or similar benefit payable to the member or to his dependents. Upon attainment of age 65, the Social Security offset will cease and, upon attainment of normal retirement age, the benefit will be recomputed as a normal retirement benefit with consideration of service granted for the period of time that the member was receiving a disability retirement benefit.

- **Form of Payment**

- Married Member: Life annuity with ten years certain, with a 50% survivor annuity payable to the spouse until death or remarriage. In the case of a member who dies prior to normal retirement age while receiving a non-service connected disability, a 100% survivor annuity is payable to the spouse until death or remarriage.
- Unmarried Member: Life annuity with ten years certain

6. Withdrawal Retirement Age and Benefit

- **Age:** Any age with at least ten years of service
- **Amount:** Monthly Accrued Benefit payable at normal retirement age.
- **Form of Payment:**
 - Married Member: Life annuity with ten years certain, with a 50% survivor annuity payable to the spouse until death or remarriage if the member dies after payment has begun.
 - Unmarried Member: Life annuity with ten years certain, if the member dies after payment has begun.
 - A member may elect to receive his contributions in lieu of a withdrawal retirement benefit.

7. Death Benefits

- **Service-connected death benefit:** Greater of the earned benefit or 25% of earnings at the date of death payable as a monthly life and ten years certain benefit to the spouse until death or remarriage or to surviving children until the youngest child reaches age 18. For members who did not designate a beneficiary, the estate of the member is entitled, for a period of ten years, to a monthly benefit equal to the greater of the earned benefit or 25% of earnings on the date of death.
- **Non-service connected death benefit:** 25% of earnings at the date of death payable as a monthly life and ten years certain benefit to the spouse until death or remarriage or to surviving children until the youngest child reaches age 18.

8. Employee Contributions

9.50% of compensation.



9. Refund of Employee Contributions

If a member's service is terminated prior to his becoming eligible for a withdrawal retirement benefit, then his contributions are returned to him without interest.

10. Police Officers' Deferred Retirement Option Plan (DROP)

All members may enter the DROP upon attainment of normal retirement age or completion of 22 years of service subject to the existing limitation of 30 years of service with the city. When a member enters the DROP, his Monthly Accrued Benefit is frozen based on his average monthly earnings and service at that time and his Monthly Accrued Benefit is paid into his DROP account. Upon termination of employment, but not more than eight years after entry into the DROP, the balance in the member's DROP account, including interest, is payable to him and he also begins to receive his frozen Monthly Accrued Benefit.

Earnings in the DROP plan account for all members shall be one of the following options:

- 1) The variable rate of return, which for any month shall be the actual net rate of investment gain or investment loss on the Retirement System's assets for the month, determined as of the last day of the month, reduced in the event of a net investment gain or increased in the event of a net investment loss by an administrative fee determined by the Board; or
- 2) 6% per year, minus administrative costs; provided, however, if plan earnings exceed 6% per year, earnings in excess of 6% per year and not in excess of 12% per year shall offset the City's cost of maintaining the DROP plan program, and plan earnings in excess of 12% per year shall be equally divided between the DROP participant and the City.