# Orlando Utilities Commission Pension Plan

## Actuarial Valuation Report as of October 1, 2023

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025

P: 954.527.1616 | F: 954.525.0083 | www.grsconsulting.com

March 15, 2024

Pension Plan Trustees
Orlando Utilities Commission Pension Plan
Orlando, Florida

**Re: Orlando Utilities Commission Pension Plan Actuarial Valuation as of October 1, 2023 and Actuarial Disclosures**

Dear Trustees:

The results of the October 1, 2023 Actuarial Valuation of the Orlando Utilities Commission Pension Plan (the "Plan") are presented in this report.

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

The purposes of the valuation are to measure the Plan's funding progress, and to determine the employer contribution rate for the fiscal year ending September 30, 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 rate in this report is determined using the actuarial assumptions and methods disclosed in the section of this report entitled Actuarial Assumptions and Cost Method. This report includes risk metrics on page 5 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 and other information through October 1, 2023. The valuation was based upon information furnished by Orlando Utilities Commission, concerning Plan benefits, financial information, 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 Orlando Utilities Commission.

This report was prepared using assumptions adopted by the Trustees as authorized under and prescribed by the Florida Statutes. The investment return assumption was prescribed by the Trustees, and the assumed mortality rates were prescribed by Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for the 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). Additional information about the actuarial assumptions is included in the section of this report entitled Actuarial Assumptions and Cost Methods.

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 judgment, 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 Orlando Utilities Commission Pension Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Peter N. Strong and Melissa R. Zrelack are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

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 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 valuation and report with the Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By: Pete Strong

Peter N. Strong, FSA, MAAA, FCA
Enrolled Actuary No. 23-6975

By: Melissa Zrelack

Melissa R. Zrelack, MAAA, FCA
Enrolled Actuary No. 23-6467

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# SECTION A

## DISCUSSION OF VALUATION RESULTS

# Discussion of Valuation Results

## Nature of the Plan

The Plan consists of a traditional pension plan and a cash balance plan. The traditional pension plan covers full-time employees hired before January 1, 1998 who did not elect to transfer to the defined contribution plan as of that date. In May 2011, OUC established a cash balance plan for all members not covered by the traditional pension plan who were employed on or after May 1, 2011. This valuation treats the two benefit structures applicable to two employee subgroups as one blended defined benefit plan with unallocated assets. All plan assets are available to pay all benefits to any plan member.

## Comparison of Required Employer Contributions

The minimum required employer contribution developed in this year's valuation is compared below with that of the previous valuation.

| | For FYE 9/30/2025 Based on 10/1/2023 Valuation | For FYE 9/30/2024 Based on 10/1/2022 Valuation | Change | For FYE 9/30/2023 Based on 10/1/2021 Valuation |
|---|---|---|---|---|
| Required Employer Contribution | $ 20,610,672 | $ 18,831,635 | $ 1,779,037 | $ 14,994,548 |
| As % of Covered Payroll | 16.64 % | 16.22 % | 0.42 % | 14.18 % |
| Estimated Employee Contribution* | 224,284 | $ 280,907 | $ (56,623) | $ 319,596 |
| As % of Covered Payroll | 0.18 % | 0.24 % | (0.06) % | 0.30 % |
| Total Contributions | $ 20,834,956 | $ 19,112,542 | $ 1,722,414 | $ 15,314,144 |
| As % of Covered Payroll | 16.82 % | 16.46 % | 0.36 % | 14.48 % |

* 4% member contribution rate for employees covered by the traditional pension plan.

The required contribution has been calculated as though payments would be made at the end of each quarter. Pursuant to Chapter 112, Florida Statutes, employer contributions must be made on at least a quarterly basis.

The actual employer contribution for the year ending September 30, 2023 was $14,994,548, equal to the required contribution of $14,994,548.

## Revisions in Benefits

There were no revisions in benefit provisions since the last actuarial valuation.

## Revisions in Actuarial Assumptions and Methods

There were no revisions in actuarial assumptions and methods since the last actuarial valuation.

## Actuarial Experience

There was a net actuarial experience loss of $6,860,337 since the last valuation. The majority of this loss ($4,419,915) was due to recognizing a lower than expected return on the smoothed actuarial value of assets (5.8% actual versus the assumed rate of 6.75%). The return on the market value of assets was 12.5%, but the Plan is still smoothing in the negative return on the market value incurred during fiscal year 2022 (of -16.8%).

There were also demographic experience losses totaling $2,440,422 due to a combination of factors, including reflecting an enhanced benefit multiplier for an executive employee, a higher 2024 cost-of-living adjustment than expected for eligible retirees in the Traditional Pension Plan (2% actual versus 1% assumed), a higher cash balance interest crediting rate for fiscal year 2023 than expected for continuing active members (6% versus 5% assumed), higher than expected increases in the Internal Revenue Code's benefit and compensation limitations for 2023 and 2024, and certain data adjustments (3 newly reported annuitants not reflected in the previous year's census data, and 2 retirees reported to be COLA-eligible who were not previously assumed to be COLA-eligible).

The net actuarial loss for the year resulted in an increase in the annual required employer contribution of $743,173, or 0.60% of covered payroll.

## Analysis of Change in Employer Contribution

The components of change in the required employer contribution are as follows:

| | |
|---|---|
| Contribution Rate Last Year | 16.22 % |
| Experience (Gains) or Losses | 0.60 |
| Payment on Unfunded Liability | (0.08) |
| Change in Employer Normal Cost Rate | (0.04) |
| Change in Administrative Expense | (0.06) |
| Change in Assumptions | - |
| Change in Methods | - |
| Plan Amendment | - |
| Contribution Rate This Year | 16.64 |

## Funded Ratio

The funded ratio as of October 1, 2023 is 87.6% compared to 88.1% as of October 1, 2022. The funded 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.

The Actuarial Value of Assets exceeds the Market Value of Assets Available for Benefits by $17,679,661 as of the valuation date (see Section C). This difference will be gradually recognized over the next several years causing the required contribution to increase, in the absence of offsetting gains.

## Relationship to Market Value

If we were not using an asset smoothing method, the required contribution rate for the fiscal year ending September 30, 2025 would have been 18.19% ($22,530,536), and the funded ratio as of October 1, 2023 would have been 84.3%. This is an increase from 80.1% as of October 1, 2022.

## Conclusion

The remainder of this report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

# Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

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 due to changing conditions; 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. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Florida Statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

## Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Ratio of the market value of assets to total payroll | 3.82 | 3.82 | 5.26 |
| Ratio of actuarial accrued liability to payroll | 4.53 | 4.77 | 5.09 |
| Ratio of actives to retirees and beneficiaries* | 1.3 | 1.3 | 1.3 |
| Ratio of net cash flow to market value of assets | -5.2% | -4.5% | -2.9% |

** Excludes QDRO Alternate Payees*

## Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

## Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

## Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

## Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

## Additional Risk Assessment

Additional risk assessment is outside the scope of the annual 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

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

"The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the "right" liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date."

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: $653,602,324

B. Discount rate used to calculate the LDROM: 4.63% based on Fidelity Investments' "20-Year Municipal GO AA Index" as of September 30, 2023

C. Other significant assumptions that differ from those used for the funding valuation: None

D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: None

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation.

**The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.**

# SECTION B

## VALUATION RESULTS

| PARTICIPANT DATA | | | | | |
|---|---|---|---|---|---|
| | | 10/1/2023 Actuarial Valuation | | 10/1/2022 Actuarial Valuation | |
| **ACTIVE MEMBERS** | | | | | |
| Number | | 1,216 | | 1,176 | |
| Covered Annual Payroll | $ | 120,254,574 | $ | 112,719,735 | |
| Average Annual Pay | $ | 98,894 | $ | 95,850 | |
| Average Age | | 47.2 | | 47.0 | |
| Average Past Service | | 11.0 | | 11.4 | |
| Average Age at Hire | | 36.2 | | 35.6 | |
| **RETIREES & BENEFICIARIES*** | | | | | |
| Number | | 927 | | 924 | |
| Annual Benefits | $ | 36,476,307 | $ | 33,946,611 | ** |
| Average Annual Benefit | $ | 39,349 | $ | 36,779 | ** |
| Average Age | | 72.5 | | 72.0 | |
| **DISABILITIES (DEFERRED OR RECEIVING BENEFITS)** | | | | | |
| Number in Cash Balance Plan | | 0 | | 0 | |
| Total Cash Balances | $ | 0 | $ | 0 | |
| Average Cash Balances | $ | 0 | $ | 0 | |
| Average Age | | 0.0 | | 0.0 | |
| Number in Traditional Pension Plan | | 6 | | 6 | |
| Annual Benefits | $ | 136,726 | $ | 134,938 | |
| Average Annual Benefit | $ | 22,788 | $ | 22,490 | |
| Average Age | | 66.8 | | 65.8 | |
| **TERMINATED VESTED MEMBERS** | | | | | |
| Number in Cash Balance Plan | | 209 | | 184 | |
| Total Cash Balances | $ | 16,375,296 | $ | 14,159,993 | |
| Average Cash Balances | $ | 78,351 | $ | 76,956 | |
| Average Age | | 48.5 | | 48.8 | |
| Number in Traditional Pension Plan | | 17 | | 20 | |
| Annual Benefits | $ | 216,677 | $ | 259,329 | |
| Average Annual Benefit | $ | 12,746 | $ | 12,966 | |
| Average Age | | 59.0 | | 58.5 | |

*Includes COLA benefits and benefits paid under Qualified Domestic Relations Orders.
** Excludes 1 Cash Balance beneficiary reported to have received a lump sum in the next fiscal year.

| ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION (ADEC) | | |
|---|---|---|
| A. Valuation Date | 10/1/2023 | 10/1/2022 |
| B. ADEC to Be Paid During Fiscal Year Ending | 9/30/2025 | 9/30/2024 |
| C. Assumed Dates of Employer Contributions | Quarterly | Quarterly |
| D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability | $ 11,094,160 | $ 9,837,317 |
| E. Employer Normal Cost | $ 8,123,557 | $ 7,725,942 |
| F. ADEC if Paid on Valuation Date: D + E | $ 19,217,717 | $ 17,563,259 |
| G. ADEC Adjusted for Frequency of Payments | $ 20,008,526 | $ 18,285,987 |
| H. Covered Payroll | $ 120,254,574 | $ 112,719,735 |
| I. ADEC as % of Covered Payroll: G ÷ H | 16.64% | 16.22% |
| J. Assumed Increase in Covered Payroll to Contribution Year | 3.00% | 3.00% |
| K. Covered Payroll in Contribution Year | $ 123,862,211 | $ 116,101,327 |
| L. ADEC for Contribution Year: I x K | $ 20,610,672 | $ 18,831,635 |
| M. ADEC as % of Covered Payroll in Contribution Year: L ÷ K | 16.64% | 16.22% |

| ACTUARIAL VALUE OF BENEFITS AND ASSETS | | |
|---|---|---|
| A. Valuation Date | October 1, 2023 | October 1, 2022 |
| B. Actuarial Present Value of All Projected Benefits for | | |
| 1. Active Members | | |
| a. Service Retirement Benefits | $ 211,465,177 | $ 210,381,860 |
| b. Vesting Benefits | 19,518,202 | 18,555,969 |
| c. Disability Benefits | - | - |
| d. Preretirement Death Benefits | 5,566,768 | 5,362,487 |
| e. Return of Member Contributions | - | - |
| f. Total | 236,550,147 | 234,300,316 |
| 2. Inactive Members | | |
| a. Service Retirees & Beneficiaries | 372,921,094 | 364,979,546 |
| b. Disability Retirees | 1,512,955 | 1,497,909 |
| c. Terminated Vested Members | 13,859,912 | 12,719,192 |
| d. Total | 388,293,961 | 379,196,647 |
| 3. Total for All Members | $ 624,844,108 | $ 613,496,963 |
| C. Actuarial Accrued (Past Service) Liability | $ 544,964,976 | $ 537,951,533 |
| D. Actuarial Present Value of Accumulated Plan Benefits per FASB Statement No. 35 | $ 522,976,315 | $ 515,573,729 |
| E. Plan Assets | | |
| 1. Market Value | $ 459,537,072 | $ 431,017,402 |
| 2. Actuarial Value | $ 477,216,733 | $ 474,119,142 |
| F. Unfunded Actuarial Accrued Liability: (C. - E.2.) | $ 67,748,243 | $ 63,832,391 |
| G. Actuarial Present Value of Projected Covered Payroll | $ 1,295,588,697 | $ 1,216,375,274 |
| H. Actuarial Present Value of Projected Member Contributions | $ 1,029,354 | $ 1,292,603 |

**ENTRY AGE ACTUARIAL COST METHOD**
**CALCULATION OF EMPLOYER NORMAL COST**

| | | |
|---|---|---|
| A. Valuation Date | October 1, 2023 | October 1, 2022 |
| B. Normal Cost for | | |
| 1. Service Retirement Benefits | $ 6,721,267 | $ 6,423,820 |
| 2. Vesting Benefits | 1,189,164 | 1,122,106 |
| 3. Disability Benefits | - | - |
| 4. Preretirement Death Benefits | 249,974 | 233,565 |
| 5. Total for Future Benefits | 8,160,405 | 7,779,491 |
| 6. Assumed Amount for Administrative Expenses | 241,076 | 288,477 |
| 7. Total Normal Cost | 8,401,481 | 8,067,968 |
| C. Expected Member Contribution | 277,924 | 342,026 |
| D. Employer Normal Cost: B7 - C | $ 8,123,557 | $ 7,725,942 |
| E. Employer Normal Cost as a % of Covered Payroll | 6.76% | 6.85% |

## Liquidation of the Unfunded Actuarial Accrued Liability

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining in the amortization period. Details relating to the UAAL are as follows.

| UAAL AMORTIZATION PERIOD AND PAYMENTS | | | | | | |
|---|---|---|---|---|---|---|
| Original UAAL | | | | Current UAAL | | |
| Date Established | Source | Amortization Period (Years) | Amount | Years Remaining | Amount | Payment |
| 10/1/2014 | Method Change | 20 | $ 97,987,543 | 7 | $ 50,186,512 | $ 8,647,553 |
| 10/1/2015 | (Gain)/Loss | 15 | (1,456,021) | 7 | (780,999) | (134,573) |
| 10/1/2015 | Assumption Change | 15 | 29,124,712 | 7 | 15,622,264 | 2,691,846 |
| 10/1/2016 | (Gain)/Loss | 15 | (1,047,303) | 8 | (614,649) | (95,493) |
| 10/1/2016 | Assumption Change | 15 | 171,295 | 8 | 100,531 | 15,619 |
| 10/1/2017 | (Gain)/Loss | 15 | (1,707,339) | 9 | (1,100,291) | (156,523) |
| 10/1/2018 | (Gain)/Loss | 15 | (1,291,602) | 10 | (907,435) | (119,634) |
| 10/1/2019 | (Gain)/Loss | 15 | (933,340) | 11 | (708,239) | (87,378) |
| 10/1/2019 | Plan Amendment | 15 | 67,821 | 11 | 51,465 | 6,349 |
| 10/1/2020 | (Gain)/Loss | 15 | (7,912,452) | 12 | (6,606,882) | (768,873) |
| 10/1/2020 | Assumption Changes | 15 | (9,707,297) | 12 | (8,105,574) | (943,282) |
| 10/1/2021 | (Gain)/Loss | 15 | (34,188,595) | 13 | (30,799,733) | (3,403,436) |
| 10/1/2021 | Assumption Changes | 15 | 10,397,445 | 13 | 9,366,823 | 1,035,054 |
| 10/1/2022 | (Gain)/Loss | 15 | 24,809,272 | 14 | 24,632,108 | 2,599,043 |
| 10/1/2022 | Assumption Changes | 15 | 10,627,899 | 14 | 10,552,005 | 1,113,389 |
| 10/1/2023 | (Gain)/Loss | 15 | 6,860,337 | 15 | 6,860,337 | 694,499 |
| | | | $ 121,802,375 | | $ 67,748,243 | $ 11,094,160 |

| Amortization Schedule | |
|---|---|
| Year | Expected UAAL |
| 2023 | $ 67,748,243 |
| 2024 | 60,478,228 |
| 2025 | 52,717,492 |
| 2026 | 44,432,907 |
| 2027 | 35,589,113 |
| 2028 | 26,148,362 |
| 2033 | 6,497,530 |
| 2038 | - |

## Open Group Projection

| PROJECTED ACTUARIAL VALUATION RESULTS | | | | | | |
|---|---|---|---|---|---|---|
| Actuarial Valuation Date | Fiscal Year End | Actuarially Determined Employer Contribution | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio |
| 10/1/2023 | 9/30/2025 | $ 20,610,672 | $ 477,216,733 | $ 544,964,976 | $ 67,748,243 | 87.6% |
| 10/1/2024 | 9/30/2026 | 21,701,406 | 480,631,993 | 546,168,961 | 65,536,968 | 88.0% |
| 10/1/2025 | 9/30/2027 | 22,293,539 | 485,963,111 | 546,210,389 | 60,247,278 | 89.0% |
| 10/1/2026 | 9/30/2028 | 22,791,361 | 491,428,817 | 545,059,404 | 53,630,587 | 90.2% |
| 10/1/2027 | 9/30/2029 | 23,350,264 | 497,100,095 | 542,933,672 | 45,833,577 | 91.6% |
| 10/1/2028 | 9/30/2030 | 23,760,083 | 504,094,955 | 541,104,451 | 37,009,496 | 93.2% |
| 10/1/2029 | 9/30/2031 | 24,135,183 | 511,805,207 | 538,842,749 | 27,037,542 | 95.0% |
| 10/1/2030 | 9/30/2032 | 12,483,652 | 518,543,025 | 534,510,724 | 15,967,699 | 97.0% |
| 10/1/2031 | 9/30/2033 | 11,674,145 | 527,161,617 | 531,123,863 | 3,962,246 | 99.3% |
| 10/1/2032 | 9/30/2034 | 12,154,345 | 524,672,232 | 527,966,924 | 3,294,692 | 99.4% |
| 10/1/2033 | 9/30/2035 | 12,635,243 | 518,986,324 | 522,547,796 | 3,561,472 | 99.3% |
| 10/1/2034 | 9/30/2036 | 13,163,917 | 512,745,129 | 516,281,774 | 3,536,645 | 99.3% |
| 10/1/2035 | 9/30/2037 | 15,456,246 | 507,337,804 | 510,651,908 | 3,314,104 | 99.4% |
| 10/1/2036 | 9/30/2038 | 18,548,075 | 504,339,939 | 507,256,813 | 2,916,874 | 99.4% |
| 10/1/2037 | 9/30/2039 | 15,228,004 | 501,018,564 | 501,360,263 | 341,699 | 99.9% |
| 10/1/2038 | 9/30/2040 | 14,332,617 | 501,534,183 | 496,288,132 | - | 101.1% |

*Note: This projection assumes constant active population growth (i.e., decrementing active members are replaced each year by the number of new entrants such that the total active member count remains level), future experience matches all actuarial assumptions, including a 6.75% annual investment return on the market value of assets, and current plan provisions.*

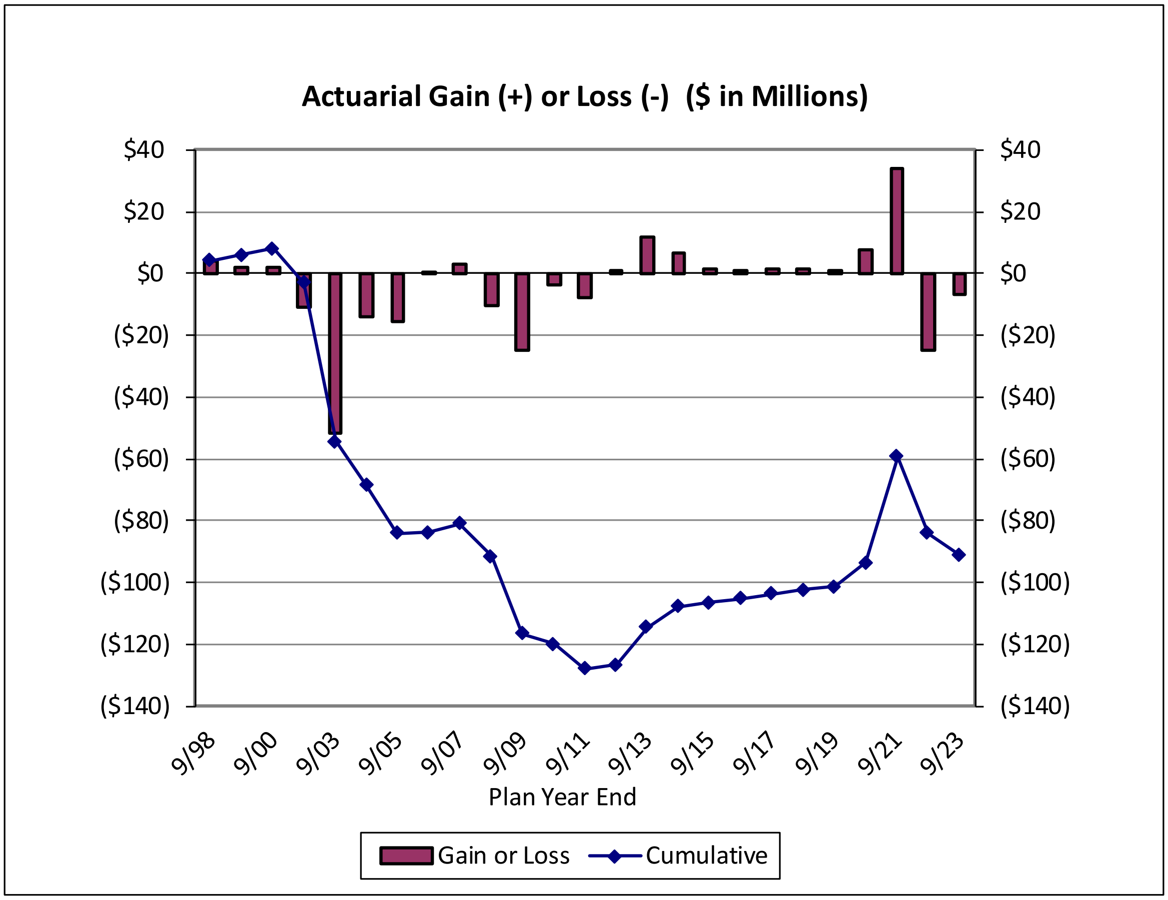
# Actuarial Gains and Losses

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain/(loss) based on the entry age normal method for the past year is computed as follows:

| | |
|---|---|
| 1. Last Year's UAAL | $ 63,832,391 |
| 2. Last Year's Employer Normal Cost | 7,725,942 |
| 3. Last Year's Employer Contributions | 14,994,548 |
| 4. Interest at the Assumed Rate on: | |
| a. 1 and 2 for one year | 4,830,187 |
| b. 3 from dates paid | 506,066 |
| c. a - b | 4,324,121 |
| 5. This Year's Expected UAAL 1 + 2 - 3 + 4c | 60,887,906 |
| 6. This Year's Actual UAAL (Before Any Changes in Benefits and Assumptions) | 67,748,243 |
| 7. Net Actuarial Gain/(Loss): 5 - 6 | (6,860,337) |
| 8. Gain/(Loss) Due to Investments | (4,419,915) |
| 9. Gain/(Loss) Due to Other Sources: 7 - 8 | (2,440,422) |
| 10. Change in UAAL Due to Any Changes in Benefits and Assumptions | 0 |
| 11. This Year's Actual UAAL (After Any Changes in Benefits and Assumptions): 6 + 10 | 67,748,243 |

Actuarial gains and losses in previous years have been as follows:

| Year Ended | Gain/(Loss) |
|---|---|
| 9/30/98 | $ 4,185,711 |
| 9/30/99 | 1,908,161 |
| 9/30/00 | 2,001,644 |
| 9/30/01 | (11,107,942) |
| 9/30/03 | (51,448,368) |
| 9/30/04 | (14,118,497) |
| 9/30/05 | (15,425,560) |
| 9/30/06 | 160,195 |
| 9/30/07 | 2,839,647 |
| 9/30/08 | (10,382,639) |
| 9/30/09 | (25,058,893) |
| 9/30/10 | (3,432,804) |
| 9/30/11 | (7,931,805) |
| 9/30/12 | 1,180,109 |
| 9/30/13 | 12,043,484 |
| 9/30/14 | 6,781,305 |
| 9/30/15 | 1,456,021 |
| 9/30/16 | 1,047,303 |
| 9/30/17 | 1,707,339 |
| 9/30/18 | 1,291,602 |
| 9/30/19 | 933,340 |
| 9/30/20 | 7,912,452 |
| 9/30/21 | 34,188,595 |
| 9/30/22 | (24,809,272) |
| 9/30/23 | (6,860,337) |

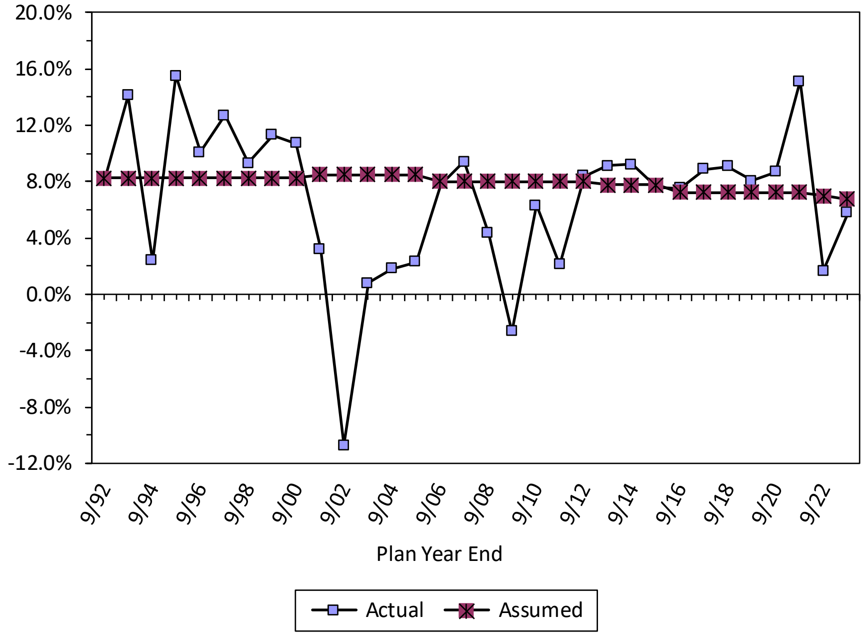

Actuarial Gain (+) or Loss (-) ($ in Millions)
$40
$20
$0
($20)
($40)
($60)
($80)
($100)
($120)
($140)
9/98
9/00
9/03
9/05
9/07
9/09
9/11
9/13
9/15
9/17
9/19
9/21
9/23
Plan Year End
Gain or Loss
Cumulative

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan, so it is important that they are in line with the actual experience. The following table shows a recent history of actual fund earnings and salary increase rates compared to the assumed rates:

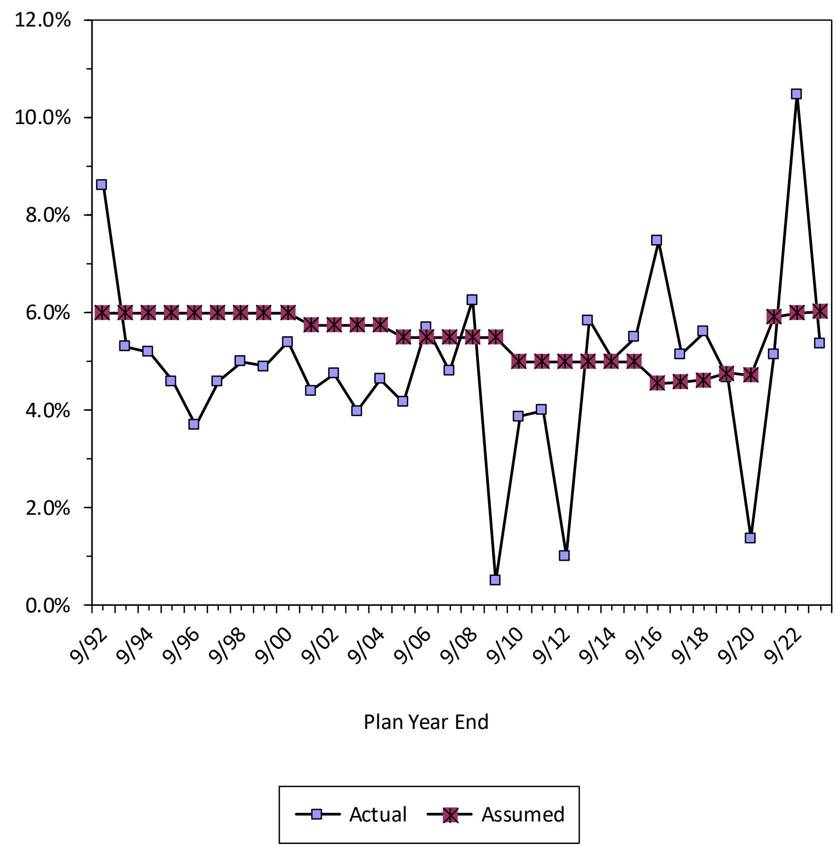
| Year Ending | Investment Return | | Salary Increases | |
|---|---|---|---|---|
| | Actual | Assumed | Actual | Assumed |
| 9/30/1992 | 8.2 % | 8.25 % | 8.6 % | 6.00 % |
| 9/30/1993 | 14.1 | 8.25 | 5.3 | 6.00 |
| 9/30/1994 | 2.4 | 8.25 | 5.2 | 6.00 |
| 9/30/1995 | 15.5 | 8.25 | 4.6 | 6.00 |
| 9/30/1996 | 10.1 | 8.25 | 3.7 | 6.00 |
| 9/30/1997 | 12.7 | 8.25 | 4.6 | 6.00 |
| 9/30/1998 | 9.3 | 8.25 | 5.0 | 6.00 |
| 9/30/1999 | 11.3 | 8.25 | 4.9 | 6.00 |
| 9/30/2000 | 10.7 | 8.25 | 5.4 | 6.00 |
| 9/30/2001 | 3.2 | 8.50 | 4.4 | 5.75 |
| 9/30/2002 | (10.7) | 8.50 | 4.8 | 5.75 |
| 9/30/2003 | 0.8 | 8.50 | 4.0 | 5.75 |
| 9/30/2004 | 1.8 | 8.50 | 4.6 | 5.75 |
| 9/30/2005 | 2.3 | 8.50 | 4.2 | 5.50 |
| 9/30/2006 | 7.8 | 8.00 | 5.7 | 5.50 |
| 9/30/2007 | 9.4 | 8.00 | 4.8 | 5.50 |
| 9/30/2008 | 4.3 | 8.00 | 6.3 | 5.50 |
| 9/30/2009 | (2.6) | 8.00 | 0.5 | 5.50 |
| 9/30/2010 | 6.3 | 8.00 | 3.9 | 5.00 |
| 9/30/2011 | 2.1 | 8.00 | 4.0 | 5.00 |
| 9/30/2012 | 8.4 | 8.00 | 1.0 | 5.00 |
| 9/30/2013 | 9.1 | 7.75 | 5.9 | 5.00 |
| 9/30/2014 | 9.2 | 7.75 | 5.0 | 5.00 |
| 9/30/2015 | 7.6 | 7.75 | 5.5 | 5.00 |
| 9/30/2016 | 7.5 | 7.25 | 7.5 | 4.55 |
| 9/30/2017 | 8.9 | 7.25 | 5.2 | 4.59 |
| 9/30/2018 | 9.1 | 7.25 | 5.6 | 4.62 |
| 9/30/2019 | 8.1 | 7.25 | 4.7 | 4.77 |
| 9/30/2020 | 8.7 | 7.25 | 1.4 | 4.72 |
| 9/30/2021 | 15.1 | 7.25 | 5.1 | 5.92 |
| 9/30/2022 | 1.7 | 7.00 | 10.5 | 6.00 |
| 9/30/2023 | 5.8 | 6.75 | 5.4 | 6.03 |
| Average of All Years Shown | 6.7 % | --- | 4.9 % | --- |

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.

History of Investment Return
Based on Actuarial Value of Assets




History of Salary Increases



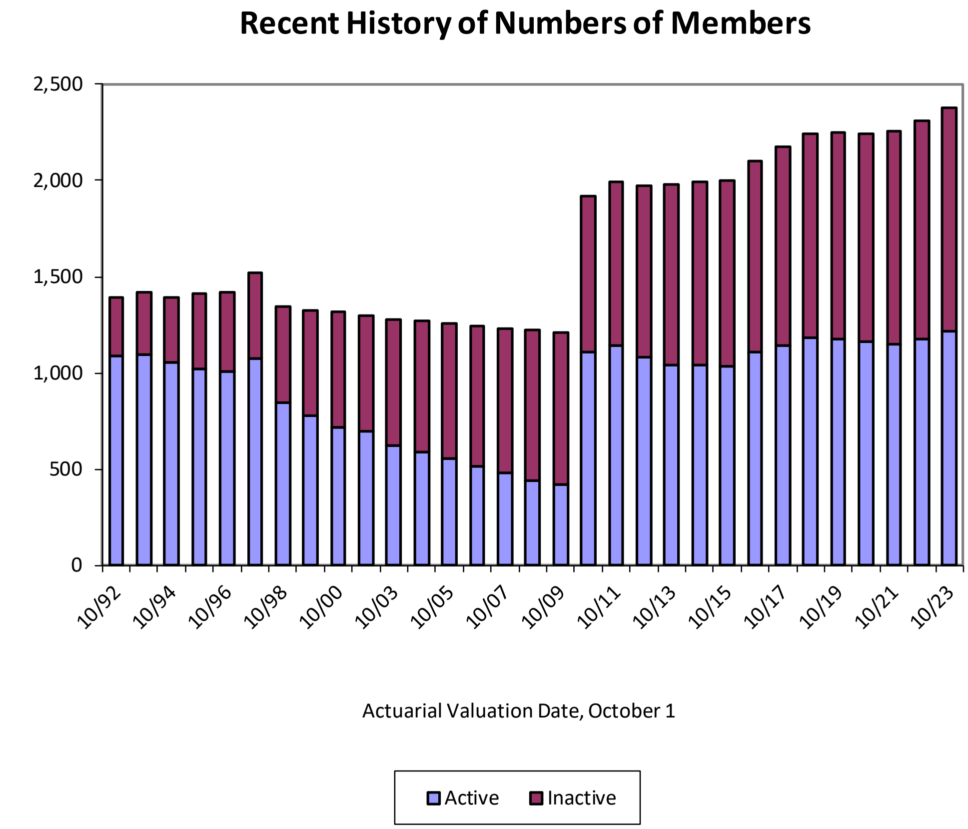
**Actual (A) Compared to Expected (E) Decrements**
**Among Active Employees**

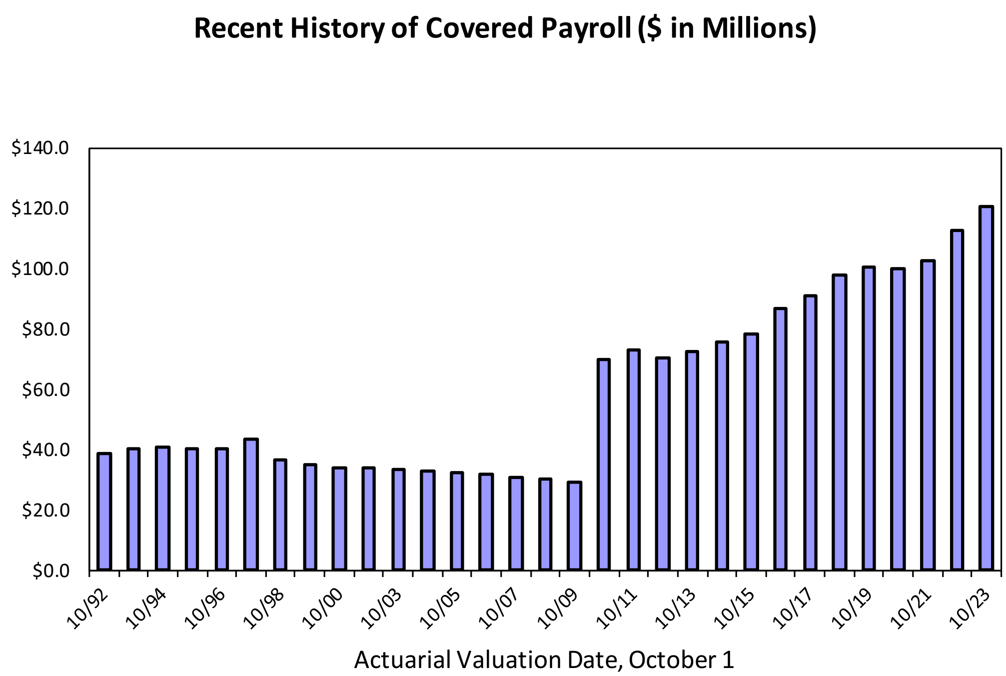
| Year Ended | Number Added During Year | | Normal & Early Retirement | | Disability Retirement | | Death | | Terminations | | | | Active Members End of Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Vested | Other | Totals | | |
| | A | E | A | E | A | E | A | E | A | A | A | E | |
| **Traditional Pension Plan** | | | | | | | | | | | | | |
| 9/30/2002 | 0 | 0 | 29 | 44 | 0 | 2 | 3 | 1 | 6 | 0 | 6 | 13 | **658** |
| 9/30/2003 | 0 | 0 | 24 | 43 | 0 | 2 | 2 | 1 | 11 | 0 | 11 | 11 | **621** |
| 9/30/2004 | 0 | 0 | 24 | 43 | 0 | 2 | 4 | 2 | 5 | 0 | 5 | 9 | **588** |
| 9/30/2005 | 0 | 0 | 26 | 44 | 0 | 2 | 0 | 2 | 7 | 0 | 7 | 8 | **555** |
| 9/30/2006 | 0 | 0 | 36 | 50 | 0 | 2 | 2 | 2 | 2 | 0 | 2 | 7 | **515** |
| 9/30/2007 | 0 | 0 | 27 | 49 | 2 | 2 | 0 | 2 | 3 | 4 | 7 | 6 | **479** |
| 9/30/2008 | 0 | 0 | 33 | 48 | 0 | 2 | 1 | 2 | 2 | 0 | 2 | 5 | **443** |
| 9/30/2009 | 0 | 0 | 20 | 47 | 0 | 2 | 1 | 2 | 0 | 0 | 0 | 4 | **422** |
| 9/30/2010 | 1 | 0 | 28 | 29 | 0 | 2 | 0 | 1 | 0 | 0 | 0 | 3 | **395** |
| 9/30/2011 | 0 | 0 | 38 | 28 | 0 | 2 | 1 | 1 | 1 | 0 | 1 | 2 | **355** |
| 9/30/2012 | 0 | 0 | 30 | 33 | 1 | 2 | 2 | 1 | 1 | 0 | 1 | 2 | **321** |
| 9/30/2013 | 1 | 0 | 30 | 33 | 0 | 2 | 0 | 1 | 5 | 0 | 5 | 1 | **287** |
| 9/30/2014 | 0 | 0 | 24 | 31 | 0 | 2 | 0 | 1 | 0 | 0 | 0 | 1 | **263** |
| 9/30/2015 | 0 | 0 | 33 | 31 | 0 | 2 | 0 | 1 | 0 | 0 | 0 | 1 | **230** |
| 9/30/2016 | 0 | 0 | 25 | 30 | 0 | 0 | 3 | 1 | 1 | 0 | 1 | 1 | **201** |
| 9/30/2017 | 0 | 0 | 31 | 28 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 0 | **169** |
| 9/30/2018 | 0 | 0 | 26 | 26 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | **143** |
| 9/30/2019 | 0 | 0 | 21 | 23 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | **122** |
| 9/30/2020 | 0 | 0 | 14 | 21 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | **106** |
| 9/30/2021 | 0 | 0 | 16 | 20 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | **89** |
| 9/30/2022 | 0 | 0 | 20 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **69** |
| 9/30/2023 | 0 | 0 | 13 | 14 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | **55** |
| Totals | 2 | 0 | 568 | 733 | 3 | 28 | 23 | 25 | 45 | 4 | 49 | 74 | |
| Expected 9/30/2024 | | | | 12 | | 0 | | 0 | | | | 0 | |
| **Cash Balance Plan** | | | | | | | | | | | | | |
| 9/30/2012 | 19 | 50 | 3 | 7 | 0 | 2 | 0 | 1 | 12 | 35 | 47 | 21 | **758** |
| 9/30/2013 | 58 | 61 | 4 | 8 | 7 | 2 | 2 | 1 | 24 | 24 | 48 | 19 | **755** |
| 9/30/2014 | 65 | 67 | 7 | 8 | 1 | 2 | 1 | 1 | 20 | 14 | 34 | 18 | **777** |
| 9/30/2015 | 71 | 79 | 4 | 13 | 2 | 3 | 1 | 1 | 14 | 25 | 39 | 18 | **802** |
| 9/30/2016 | 129 | 50 | 5 | 12 | 0 | 0 | 1 | 3 | 10 | 5 | 15 | 57 | **910** |
| 9/30/2017 | 119 | 87 | 9 | 16 | 0 | 0 | 2 | 2 | 17 | 27 | 44 | 77 | **974** |
| 9/30/2018 | 122 | 84 | 9 | 17 | 0 | 0 | 0 | 2 | 15 | 34 | 49 | 84 | **1,038** |
| 9/30/2019 | 84 | 89 | 16 | 20 | 0 | 0 | 2 | 2 | 11 | 39 | 50 | 91 | **1,054** |
| 9/30/2020 | 54 | 67 | 10 | 21 | 0 | 0 | 1 | 3 | 15 | 25 | 40 | 75 | **1,057** |
| 9/30/2021 | 74 | 87 | 12 | 20 | 0 | 0 | 2 | 2 | 30 | 26 | 56 | 48 | **1,061** |
| 9/30/2022 | 145 | 119 | 15 | 22 | 0 | 0 | 4 | 2 | 35 | 45 | 80 | 47 | **1,107** |
| 9/30/2023 | 135 | 95 | 21 | 24 | 0 | 0 | 1 | 2 | 32 | 27 | 59 | 54 | **1,161** |
| Totals | 1,075 | 935 | 115 | 188 | 10 | 9 | 17 | 22 | 235 | 326 | 561 | 609 | |
| Expected 9/30/2024 | | | | 25 | | 0 | | 2 | | | | 59 | |

## RECENT HISTORY OF VALUATION RESULTS

| Valuation Date | Number of Members | | Covered Annual Payroll | Actuarial Value of Assets | Employer Normal Cost*** | |
|---|---|---|---|---|---|---|
| | Active | Inactive | | | Amount | % of Payroll |
| 10/1/1992 | 1,086 | 306 | $38,566,337 | $110,048,366 | $3,226,220 | 8.36 % |
| 10/1/1993 | 1,094 | 323 | 40,318,967 | 125,478,328 | 2,960,272 | 7.34 |
| 10/1/1994 | 1,052 | 341 | 40,645,961 | 127,557,755 | 2,706,006 | 6.66 |
| 10/1/1995 | 1,024 | 387 | 40,525,414 | 140,666,432 | 3,470,125 | 8.56 |
| 10/1/1996 | 1,008 | 414 | 40,540,266 | 152,202,484 | 3,240,881 | 7.99 |
| 10/1/1997 | 1,075 * | 443 | 43,240,797 | 169,603,158 | 3,127,299 | 7.23 |
| 10/1/1998 | 847 ** | 498 | 36,404,917 | 179,808,287 | 2,391,378 | 6.57 |
| 10/1/1999 | 779 | 549 | 34,778,576 | 193,358,416 | 2,152,232 | 6.19 |
| 10/1/2000 | 719 | 598 | 33,802,501 | 208,334,966 | 2,764,276 | 8.18 |
| 10/1/2001 | 696 | 601 | 34,113,735 | 203,818,902 | 4,250,601 | 12.46 |
| 10/1/2003 | 621 | 659 | 33,332,980 | 224,562,213 | 3,968,409 | 11.91 |
| 10/1/2004 | 588 | 682 | 32,844,874 | 219,853,057 | 5,848,145 | 17.81 |
| 10/1/2005 | 555 | 705 | 32,393,300 | 243,972,731 | 5,969,287 | 18.43 |
| 10/1/2006 | 515 | 728 | 31,686,048 | 254,461,877 | 5,776,429 | 18.23 |
| 10/1/2007 | 479 | 753 | 30,981,376 | 268,893,745 | 5,165,819 | 16.67 |
| 10/1/2008 | 443 | 778 | 30,479,169 | 254,352,846 | 9,507,264 | 31.19 |
| 10/1/2009 | 422 | 789 | 28,963,856 | 241,001,979 | 12,095,155 | 41.76 |
| 10/1/2010 | 1,106 | 812 | 69,967,434 | 251,496,569 | 13,226,017 | 18.90 |
| 10/1/2011 | 1,144 | 846 | 73,230,186 | 252,224,649 | 14,688,780 | 20.06 |
| 10/1/2012 | 1,079 | 892 | 70,147,352 | 267,020,081 | 19,643,172 | 28.00 |
| 10/1/2013 | 1,042 | 939 | 72,478,712 | 286,722,421 | 19,004,497 | 26.22 |
| 10/1/2014 | 1,040 | 956 | 75,405,142 | 310,012,409 | 4,766,970 | 6.32 |
| 10/1/2015 | 1,032 | 967 | 78,313,766 | 328,381,518 | 4,839,155 | 6.18 |
| 10/1/2016**** | 1,111 | 993 | 86,572,980 | 344,552,501 | 5,090,011 | 5.88 |
| 10/1/2017 | 1,143 | 1,033 | 90,906,955 | 368,621,666 | 5,173,713 | 5.69 |
| 10/1/2018 | 1,181 | 1,059 | 97,896,432 | 392,721,746 | 5,523,946 | 5.64 |
| 10/1/2019 | 1,176 | 1,072 | 100,621,441 | 413,114,381 | 5,607,429 | 5.57 |
| 10/1/2020 | 1,163 | 1,083 | 100,135,336 | 436,415,472 | 6,632,459 | 6.62 |
| 10/1/2021 | 1,150 | 1,107 | 102,664,415 | 485,602,208 | 7,053,598 | 6.87 |
| 10/1/2022 | 1,176 | 1,134 | 112,719,735 | 474,119,142 | 7,725,942 | 6.85 |
| 10/1/2023 | 1,216 | 1,159 | 120,254,574 | 477,216,733 | 8,123,557 | 6.76 |

* The increase from '96 to '97 is due to inclusion of 79 former St. Cloud employees.
** The decrease from ’97 to ’98 is due to 143 employees transferring to Defined Contribution Plan.
*** Aggregate funding method used prior to October 1, 2014.
**** Reflects Actuarial Impact Statement dated June 15, 2017.


Recent History of Numbers of Members
2,500
2,000
1,500
1,000
500
0
10/92
10/94
10/96
10/98
10/00
10/03
10/05
10/07
10/09
10/11
10/13
10/15
10/17
10/19
10/21
10/23
Actuarial Valuation Date, October 1
Active
Inactive


Recent History of Covered Payroll ($ in Millions)
$140.0
$120.0
$100.0
$80.0
$60.0
$40.0
$20.0
$0.0
10/92
10/94
10/96
10/98
10/00
10/03
10/05
10/07
10/09
10/11
10/13
10/15
10/17
10/19
10/21
10/23
Actuarial Valuation Date, October 1

## Recent History of the Unfunded Actuarial Accrued Liability and Funded Ratio

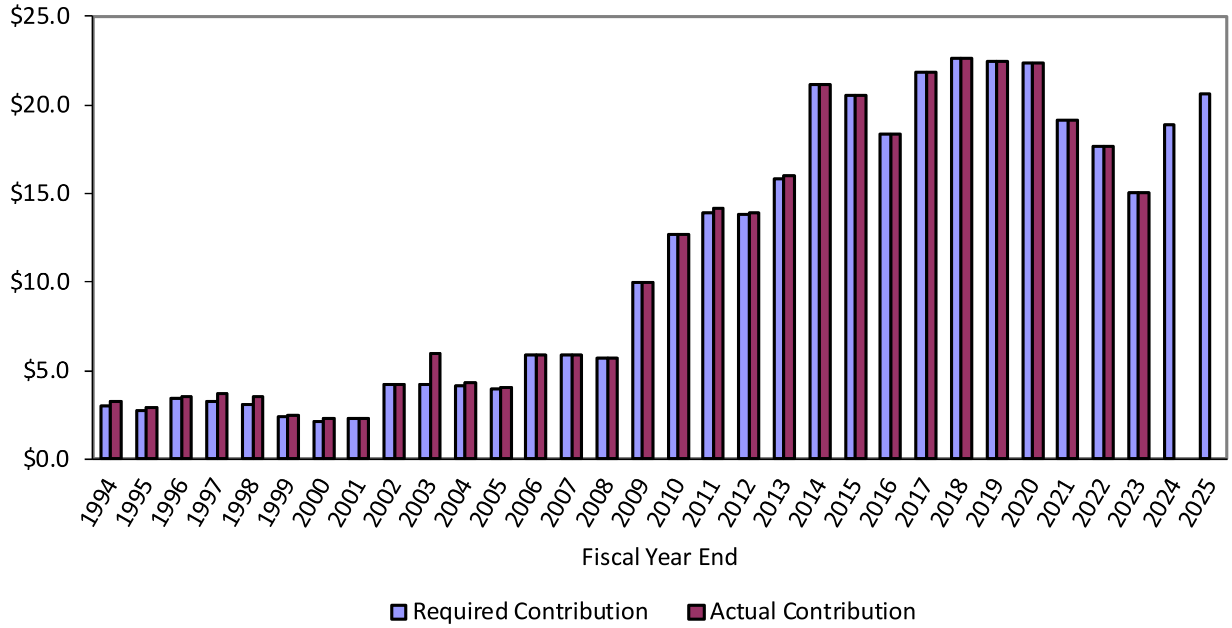
| Actuarial Valuation Date | Actuarial Value of Assets (a) | Entry Age Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll ( c ) | UAAL As % of Covered Payroll (b - a) / c |
|---|---|---|---|---|---|---|
| 10/1/1992 | $110,048,366 | - | - | - | $38,566,337 | - |
| 10/1/1993 | 125,478,328 | - | - | - | 40,318,967 | - |
| 10/1/1994 | 127,557,755 | - | - | - | 40,645,961 | - |
| 10/1/1995 | 140,666,432 | $145,148,060 | $4,481,628 | 96.9 % | 40,525,414 | 11.1 % |
| 10/1/1996 | 152,202,484 | 153,235,342 | 1,032,858 | 99.3 | 40,540,266 | 2.5 |
| 10/1/1997 | 169,603,158 | 164,797,178 | (4,805,980) | 102.9 | 43,240,797 | (11.1) |
| 10/1/1998 | 179,808,287 | 171,340,336 | (8,467,951) | 104.9 | 36,404,917 | (23.3) |
| 10/1/1999 | 193,358,416 | 183,332,431 | (10,025,985) | 105.5 | 34,778,576 | (28.8) |
| 10/1/2000 | 205,886,587 | 209,333,935 | 3,447,348 | 98.4 | 33,802,501 | 10.2 |
| 10/1/2001 | 203,818,902 | 218,357,743 | 14,538,841 | 93.3 | 34,113,735 | 42.6 |
| 10/1/2003 | 224,562,213 | 236,163,511 | 11,601,298 | 95.1 | 33,332,980 | 34.8 |
| 10/1/2004 | 219,853,057 | 244,485,261 | 24,632,204 | 89.9 | 32,844,874 | 75.0 |
| 10/1/2005 | 243,972,731 | 266,617,632 | 22,644,901 | 91.5 | 32,393,300 | 69.9 |
| 10/1/2006 | 254,461,877 | 275,758,525 | 21,296,648 | 92.3 | 31,686,048 | 67.2 |
| 10/1/2007 | 268,893,745 | 285,786,436 | 16,892,691 | 94.1 | 30,981,376 | 54.5 |
| 10/1/2008 | 254,352,846 | 297,139,500 | 42,786,654 | 85.6 | 30,479,169 | 140.4 |
| 10/1/2009 | 241,001,979 | 306,798,448 | 65,796,469 | 78.6 | 28,963,856 | 227.2 |
| 10/1/2010 | 251,496,569 | 339,186,958 | 87,690,389 | 74.1 | 69,967,434 | 125.3 |
| 10/1/2011 | 252,224,649 | 352,684,289 | 100,459,640 | 71.5 | 73,230,186 | 137.2 |
| 10/1/2012 | 267,020,081 | 401,073,223 | 134,053,142 | 66.6 | 70,147,352 | 191.1 |
| 10/1/2013 | 286,722,421 | 412,298,594 | 125,576,173 | 69.5 | 72,478,712 | 173.3 |
| 10/1/2014 | 310,012,409 | 421,558,835 | 111,546,426 | 73.5 | 75,405,142 | 147.9 |
| 10/1/2015 | 328,381,518 | 460,083,794 | 131,702,276 | 71.4 | 78,313,766 | 168.2 |
| 10/1/2016 * | 344,552,501 | 471,508,790 | 126,956,289 | 73.1 | 86,572,980 | 146.6 |
| 10/1/2017 | 368,621,666 | 485,865,130 | 117,243,464 | 75.9 | 90,906,955 | 129.0 |
| 10/1/2018 | 392,721,746 | 499,289,270 | 106,567,524 | 78.7 | 97,896,432 | 108.9 |
| 10/1/2019 | 413,114,381 | 509,160,742 | 96,046,361 | 81.1 | 100,621,441 | 95.5 |
| 10/1/2020 | 436,415,472 | 504,602,061 | 68,186,589 | 86.5 | 100,135,336 | 68.1 |
| 10/1/2021 | 485,602,208 | 522,186,035 | 36,583,827 | 93.0 | 102,664,415 | 35.6 |
| 10/1/2022 | 474,119,142 | 537,951,533 | 63,832,391 | 88.1 | 112,719,735 | 56.6 |
| 10/1/2023 | 477,216,733 | 544,964,976 | 67,748,243 | 87.6 | 120,254,574 | 56.3 |

* Reflects Actuarial Impact Statement dated June 15, 2017.

| RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS | | | | |
|---|---|---|---|---|
| | End of Year To Which | Required Employer Contribution | | Actual Employer Contribution for |
| Valuation Date | Valuation Applies | Amount | % of Payroll | Year to Which Valuation Applies |
| 10/1/1992 | 9/30/1993 | - | - | - |
| 10/1/1993 | 9/30/1994 | $ 2,960,272 | 7.34 % | $ 3,230,549 |
| 10/1/1994 | 9/30/1995 | 2,706,006 | 6.66 | 2,896,534 |
| 10/1/1995 | 9/30/1996 | 3,470,125 | 8.56 | 3,555,309 |
| 10/1/1996 | 9/30/1997 | 3,240,881 | 7.99 | 3,662,399 |
| 10/1/1997 | 9/30/1998 | 3,127,299 | 7.23 | 3,544,420 |
| 10/1/1998 | 9/30/1999 | 2,391,378 | 6.57 | 2,468,225 |
| 10/1/1999 | 9/30/2000 | 2,152,232 | 6.19 | 2,311,353 |
| 10/1/2000 | 9/30/2001 | 2,308,286 | 6.83 | 2,308,286 |
| 10/1/2001 | 9/30/2002 | 4,250,601 | 12.46 | 4,250,601 |
| 10/1/2001 | 9/30/2003 | 4,224,413 | 12.46 | 5,972,937 |
| 10/1/2003 | 9/30/2004 | 4,172,703 | 12.52 | 4,277,001 |
| 10/1/2003 | 9/30/2005 | 3,984,391 | 12.52 | 4,021,572 |
| 10/1/2004 | 9/30/2006 | 5,840,101 | 18.72 | 5,891,438 |
| 10/1/2005 | 9/30/2007 | 5,872,213 | 19.32 | 5,872,213 |
| 10/1/2006 | 9/30/2008 | 5,665,227 | 19.12 | 5,665,887 |
| 10/1/2008 | 9/30/2009 | 9,969,736 | 32.71 | 9,972,135 |
| 10/1/2009 | 9/30/2010 | 12,683,273 | 45.77 | 12,682,074 |
| 10/1/2010 | 9/30/2011 | 13,868,008 | 19.82 | 14,149,906 |
| 10/1/2010 | 9/30/2012 | 13,856,257 | 19.82 | 13,930,576 |
| 10/1/2011 | 9/30/2013 | 15,862,317 | 21.03 | 16,009,039 |
| 10/1/2012 | 9/30/2014 | 21,184,220 | 29.32 | 21,184,220 |
| 10/1/2013 | 9/30/2015 | 20,499,734 * | 27.46 | 20,499,734 * |
| 10/1/2014 | 9/30/2016 | 18,321,715 ** | 23.59 | 18,321,715 ** |
| 10/1/2015 | 9/30/2017 | 21,875,854 | 27.12 | 21,875,854 |
| 10/1/2016 | 9/30/2018 | 22,613,555 *** | 25.36 | 22,613,555 |
| 10/1/2017 | 9/30/2019 | 22,490,926 | 24.02 | 22,490,926 |
| 10/1/2018 | 9/30/2020 | 22,405,165 | 22.22 | 22,405,165 |
| 10/1/2019 | 9/30/2021 | 19,173,416 | 18.50 | 19,173,416 |
| 10/1/2020 | 9/30/2022 | 17,678,092 | 17.14 | 17,678,092 |
| 10/1/2021 | 9/30/2023 | 14,994,548 | 14.18 | 14,994,548 |
| 10/1/2022 | 9/30/2024 | 18,831,635 | 16.22 | --- |
| 10/1/2023 | 9/30/2025 | 20,610,672 | 16.64 | --- |

* Before reflecting the prepaid contribution of $1,965,498.
** Before reflecting the prepaid contribution of $519,190.
*** Reflects Actuarial Impact Statement dated June 15, 2017.
Note: The difference between actual and required contributions for the ’96-’97 year consists of contributions for St. Cloud employees and interest.

**Recent History of Required and Actual Contributions ($ in Millions)**



# Actuarial Assumptions and Cost Method

## Valuation Methods

***Actuarial Cost Method –*** Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;

(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce/(increase) the Unfunded Actuarial Accrued Liability.

***Financing of Unfunded Actuarial Accrued Liabilities –*** Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

***Actuarial Value of Assets –*** The Actuarial Value of Assets is calculated by recognizing 20% of the difference between the Market Value of Assets and the expected Actuarial Asset Value. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 90% of the Market Value of plan assets and whose upper limit is 110% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

## Valuation Assumptions

***The actuarial assumptions*** used in the valuation are shown in this Section. The decrement assumptions were established following the Experience Study Report dated October 8, 2020.

## Economic Assumptions

***The investment return rate*** assumed in the valuation is 6.75% per year, compounded annually (net after investment expenses).

***The inflation rate*** assumed in this valuation was 2.25% per year. The inflation rate is defined to be the long-term rate of annual increases in the prices of goods and services.

***Pay increase assumptions*** for individual active members are as follows:

| | % Increase in Salary | | | | | |
|---|---|---|---|---|---|---|
| | Cash Balance Plan | | | Traditional Pension Plan | | |
| Rounded Attained Age | Merit and Seniority | Base Inflation | Total Increase | Merit and Seniority | Base Inflation | Total Increase |
| < 30 | 7.75% | 2.25% | 10.00% | 2.50% | 2.25% | 4.75% |
| 30 - 34 | 5.75% | 2.25% | 8.00% | 2.50% | 2.25% | 4.75% |
| 35 - 39 | 5.25% | 2.25% | 7.50% | 2.50% | 2.25% | 4.75% |
| 40 - 44 | 3.75% | 2.25% | 6.00% | 2.50% | 2.25% | 4.75% |
| 45 - 49 | 3.50% | 2.25% | 5.75% | 2.50% | 2.25% | 4.75% |
| 50 - 54 | 3.25% | 2.25% | 5.50% | 2.25% | 2.25% | 4.50% |
| 55 - 59 | 2.65% | 2.25% | 4.90% | 2.25% | 2.25% | 4.50% |
| 60 & Over | 2.35% | 2.25% | 4.60% | 2.25% | 2.25% | 4.50% |

## Demographic Assumptions

***The mortality table*** used was The PUB-2010 Headcount Weighted General Below Median Employee Mortality Table (for preretirement mortality) and the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set back one year for males, with mortality improvements projected to all future years after 2010 using Scale MP-2018. These are the same rates used for Regular Class members in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

| Sample Attained Ages (in 2023) | (Active) Probability of Dying Next Year | | Future Life Expectancy (years) | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| 50 | 0.19 % | 0.11 % | 37.88 | 40.41 |
| 55 | 0.29 | 0.17 | 32.87 | 35.28 |
| 60 | 0.45 | 0.26 | 28.01 | 30.25 |
| 65 | 0.64 | 0.37 | 23.31 | 25.32 |
| 70 | 0.89 | 0.56 | 18.74 | 20.49 |
| 75 | 1.33 | 0.92 | 14.30 | 15.80 |
| 80 | 2.10 | 1.55 | 9.99 | 11.28 |

| Sample Attained Ages (in 2023) | (Inactive) Probability of Dying Next Year | | Future Life Expectancy (years) | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| 50 | 0.19 % | 0.57 % | 33.34 | 37.13 |
| 55 | 0.95 | 0.57 | 28.97 | 32.68 |
| 60 | 1.12 | 0.59 | 24.86 | 28.13 |
| 65 | 1.28 | 0.68 | 20.78 | 23.53 |
| 70 | 1.78 | 1.08 | 16.75 | 19.05 |
| 75 | 2.83 | 1.85 | 13.03 | 14.86 |
| 80 | 4.74 | 3.34 | 9.74 | 11.09 |

For disabled retirees, the mortality table used was the PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, with separate rates for males and females and ages set forward 3 years for both males and females, with no provision being made for future mortality improvements. These are the same rates used for Regular Class members in the July 1, 2022 actuarial valuation of the FRS Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

| Sample Attained Ages | Probability of Dying Next Year | | Future Life Expectancy (years) | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| 50 | 2.02 % | 1.64 % | 20.99 | 23.92 |
| 55 | 2.53 | 1.91 | 18.18 | 20.88 |
| 60 | 3.08 | 2.27 | 15.50 | 17.88 |
| 65 | 3.93 | 2.83 | 12.94 | 14.91 |
| 70 | 5.08 | 3.79 | 10.53 | 12.07 |
| 75 | 6.98 | 5.46 | 8.29 | 9.45 |
| 80 | 10.12 | 8.31 | 6.33 | 7.19 |

***The rates of retirement*** are as follows:

| | Assumed Retirement Rates | | | | | |
|---|---|---|---|---|---|---|
| | Traditional Pension Plan Years of Service | | | Cash Balance Plan Years of Service | | |
| **Age** | < 24 | 24 - 29 | 30 + | < 30 | 30 - 34 | 35 + |
| < 51 | N/A | 4% | 30% | N/A | 10% | 25% |
| 51 | N/A | 12.5% | 15% | N/A | 10% | 25% |
| 52 | N/A | 10% | 10% | N/A | 10% | 25% |
| 53 | N/A | 15% | 10% | N/A | 10% | 25% |
| 54 | N/A | 16% | 15% | N/A | 10% | 25% |
| 55 | 10% | 18% | 15% | N/A | 10% | 25% |
| 56 | 6% | 9% | 17% | N/A | 10% | 25% |
| 57 | 6% | 12% | 20% | N/A | 10% | 25% |
| 58 | 10% | 9% | 20% | N/A | 10% | 25% |
| 59 | 10% | 9% | 35% | N/A | 10% | 25% |
| 60 | 15% | 20% | 30% | N/A | 10% | 25% |
| 61 | 15% | 15% | 40% | N/A | 10% | 25% |
| 62 | 15% | 35% | 30% | 25% | 30% | 100% |
| 63 | 30% | 20% | 30% | 12% | 30% | 100% |
| 64 | 10% | 35% | 20% | 15% | 20% | 100% |
| 65 | 40% | 40% | 40% | 30% | 40% | 100% |
| 66 | 30% | 30% | 30% | 24% | 30% | 100% |
| 67 - 68 | 30% | 30% | 30% | 32% | 30% | 100% |
| 69 | 30% | 30% | 30% | 35% | 50% | 100% |
| 70 - 72 | 50% | 50% | 50% | 35% | 50% | 100% |
| 73 - 74 | 100% | 100% | 100% | 35% | 100% | 100% |
| 75 + | 100% | 100% | 100% | 100% | 100% | 100% |

***Rates of separation from active membership*** for the Traditional Pension Plan are 1.4% per year for males and 2.0% per year for females. Separation rates for the Cash Balance Plan vary by gender, age, and years of service, as follows:

| **Rounded Years of Service** | **% of Active Members Separating Within Next Year** | |
|---|---|---|
| | **Males** | **Females** |
| 0 | 10.00% | 18.00% |
| 1 | 10.00% | 16.00% |
| 2 | 7.50% | 10.25% |
| 3 | 5.40% | 10.25% |
| 4 | 3.75% | 10.25% |
| 5-6 | 3.75% | 6.00% |
| 7-8 | 2.75% | 6.00% |
| 9 | 2.75% | 5.25% |
| 10-12 | 2.50% | 5.25% |
| 13-14 | 2.50% | 4.75% |
| 15-17 | 2.25% | 4.75% |
| 18 + | 1.75% | 2.50% |

***The rate of interest*** credited on account balances for active members is assumed to be 5.0% per year for each future year. 3.50% per year is assumed for vested terminated members.

***The annual rate of payroll growth*** assumed is 3.0%.

***The annual future COLA rate*** for eligible traditional pension plan members is 2.0% for 2024 (based on the actual COLA granted for the year effective January 1, 2024) and 1.0% per year, compounded annually, for each year thereafter. The 1.0% COLA assumption is the approximate equivalent annual COLA based on the $50^{th}$ percentile of expected COLAs payable over the next 30 years.

***Changes from previous valuation:***

None.

## Miscellaneous and Technical Assumptions

| | |
|---|---|
| ***Administrative & Investment Expenses*** | The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the expenses over the previous 2 years. Assumed administrative expenses are added to the Normal Cost. |
| ***Benefit Service*** | Fractional service is used to determine the amount of benefit payable under the Plan. Pay credits for the cash balance plan are based on whole years of service. |
| ***Data Assumptions/ Adjustments*** | Where complete participant data was not available, we have used data assumptions which we believe are reasonable and internally consistent. |
| ***Decrement Operation*** | Mortality decrements operate during retirement eligibility. |
| ***Decrement Timing*** | Decrements of all types are assumed to occur at the beginning of the year. |
| ***Eligibility Testing*** | Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the valuation date. |
| ***Forfeitures*** | For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions. |
| ***Incidence of Contributions*** | Employer contributions are assumed to be made at the end of each calendar quarter. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made. |
| ***Marriage Assumption*** | 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be four years older than female spouses for active member valuation purposes. |
| ***Normal Form of Benefit*** | 50% Joint and Survivor Annuity for traditional pension plan members. Cashout of account balance for cash balance plan members. |
| ***Pay Increase Timing*** | End of fiscal year. This is equivalent to assuming that reported pays represent rate of pay on the valuation date. |
| ***Service Credit Accruals*** | It is assumed that members accrue one year of service credit per year. |
| ***Employees on Disability Leave*** | Active members reported as "LTD" or "STD" are assumed to return to active status, unless otherwise indicated. |

# Glossary

| | |
|---|---|
| ***Actuarial Accrued Liability (AAL)*** | The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs. |
| ***Actuarial Assumptions*** | Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items. |
| ***Actuarial Cost Method*** | A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability. |
| ***Actuarial Equivalent*** | Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions. |
| ***Actuarial Present Value (APV)*** | The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made. |
| ***Actuarial Present Value of Future Benefits (APVFB)*** | The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due. |
| ***Actuarial Valuation*** | The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB Statement Nos. 67 and 68. |
| ***Actuarial Value of Assets*** | The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined employer contribution (ADEC). |
| ***Amortization Method*** | A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase. |

| | |
|---|---|
| ***Amortization Payment*** | That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability. |
| ***Amortization Period*** | The period used in calculating the Amortization Payment. |
| ***Actuarially Determined Employer Contribution (ADEC)*** | The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADEC consists of the Employer Normal Cost and Amortization Payment. |
| ***Closed Amortization Period*** | A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. |
| ***Employer Normal Cost*** | The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions. |
| ***Equivalent Single Amortization Period*** | For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment. |
| ***Experience Gain/Loss*** | A measure of the difference between the normal cost rate from last year and the normal cost rate from this year. |
| ***Funded Ratio*** | The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability. |
| ***GASB*** | Governmental Accounting Standards Board. |
| ***Normal Cost*** | The annual cost assigned, under the Actuarial Cost Method, to the current plan year. |
| ***Open Amortization Period*** | An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll. |
| ***Unfunded Actuarial Accrued Liability (UAAL)*** | The difference between the Actuarial Accrued Liability and Actuarial Value of Assets. |
| ***Valuation Date*** | The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date. |

# SECTION C

## PENSION FUND INFORMATION

# Summary of Assets at Market Value

| Item | | | September 30 2023 | September 30 2022 |
|---|---|---|---|---|
| A. | Receivables: | | | |
| | 1. | Member Contributions | $ - | $ - |
| | 2. | Employer Contributions | - | - |
| | 3. | Investment Income & Other | 597,454 | 2,787,680 |
| | 4. | Total Receivables | 597,454 | 2,787,680 |
| B. | Investments | | | |
| | 1. | Short-Term Investments | 16,357,945 | 9,924,334 |
| | 2. | Domestic Equities | 206,464,015 | 183,906,636 |
| | 3. | International Equities | 71,282,440 | 58,904,765 |
| | 4. | Domestic Fixed Income | 56,645,280 | 63,963,703 |
| | 5. | International Fixed Income | - | - |
| | 6. | Real Estate | 44,335,151 | 54,110,526 |
| | 7. | Alternative Investments | 64,241,229 | 58,438,621 |
| | 8. | Other Mutual Fund Investments | 323,736 | 298,693 |
| | 9. | Total Investments | 459,649,796 | 429,547,278 |
| C. | Liabilities | | | |
| | 1. | Benefits/Refunds Payable | - | - |
| | 2. | Accrued Expenses and Other Payables | (15,420) | (19,097) |
| | 3. | Due Brokers | (694,758) | (1,298,459) |
| | 4. | Total Liabilities | (710,178) | (1,317,556) |
| D. | Market Value of Assets Held in Trust | | 459,537,072 | 431,017,402 |
| E. | Contribution Paid for Future Period | | - | - |
| F. | Market Value of Assets Available for Benefits | | $ 459,537,072 | $ 431,017,402 |
| G. | Allocation of Investments | | | |
| | 1. | Short-Term Investments | 3.6% | 2.3% |
| | 2. | Domestic Equities | 44.9% | 42.8% |
| | 3. | International Equities | 15.5% | 13.7% |
| | 4. | Domestic Fixed Income | 12.3% | 14.9% |
| | 5. | International Fixed Income | 0.0% | 0.0% |
| | 6. | Real Estate | 9.6% | 12.6% |
| | 7. | Alternative Investments | 14.0% | 13.6% |
| | 8. | Other Mutual Fund Investments | 0.1% | 0.1% |
| | 9. | Total Investments | 100.0% | 100.0% |

# Summary of Fund's Income and Disbursements

| Item | September 30 2023 | September 30 2022 |
|---|---|---|
| A. Market Value of Assets at Beginning of Year | $ 431,017,402 | $ 539,558,009 |
| B. Revenues and Expenditures | | |
| 1. Contributions | | |
| a. Employee Contributions | 243,701 | 310,228 |
| b. Employer Contributions | 14,994,548 | 17,678,092 |
| c. Other | - | - |
| d. Total | 15,238,249 | 17,988,320 |
| 2. Investment Income | | |
| a. Interest, Dividends, and Other Income | 11,864,824 | 10,987,800 |
| b. Net Realized and Unrealized Gains/(Losses) | 43,245,986 | (96,687,275) |
| c. Investment Expenses | (2,905,011) | (3,401,764) |
| d. Net Investment Income | 52,205,799 | (89,101,239) |
| 3. Benefits and Refunds | | |
| a. Monthly Benefits and Refunds | (38,696,309) | (37,173,605) |
| b. Other | - | - |
| c. Total | (38,696,309) | (37,173,605) |
| 4. Administrative and Miscellaneous Expenses | (228,069) | (254,083) |
| 5. Transfers | - | - |
| C. Market Value of Assets Available for Benefits | 459,537,072 | 431,017,402 |
| D. Contribution Paid for Future Period | - | - |
| E. Market Value of Assets Held in Trust | $ 459,537,072 | $ 431,017,402 |

# Development of Actuarial Value of Assets

| | | Year Ending 9/30/2023 | Year Ending 9/30/2022 |
|---|---|---|---|
| A. | Beginning of Year Assets | | |
| | 1. Market Value | $ 431,017,402 | $ 539,558,009 |
| | 2. Actuarial Value | 474,119,142 | 485,602,208 |
| B. | End of Year Market Value of Assets | 459,537,072 | 431,017,402 |
| C. | Net Cashflows (Contributions Less Disbursements) | (23,686,129) | (19,439,368) |
| D. | Actual Net Investment Earnings | 52,205,799 | (89,101,239) |
| E. | Expected Investment Earnings | 31,203,635 | 33,311,777 |
| F. | Expected Actuarial Value End of Year: A2 + C + E | 481,636,648 | 499,474,617 |
| G. | Market Value End of Year Less Expected Actuarial Value: B - F | (22,099,576) | (68,457,215) |
| H. | 20% of Difference | (4,419,915) | (13,691,443) |
| I. | End of Year Assets | | |
| | 1. Actuarial Value: F + H | 477,216,733 | 485,783,174 |
| | 2. Final Actuarial Value Within 90% to 110% of Market Value | 477,216,733 | 474,119,142 |
| J. | Recognized Investment Return: E + H + I2 - I1 | 26,783,720 | 7,956,302 |
| K. | Gain/(Loss) Due to Investments | (4,419,915) | (25,355,475) |
| L. | Recognized Rate of Return | 5.8 % | 1.7 % |

# Investment Rate of Return

| Year Ending September 30th | Investment Rate of Return Market Value * | Actuarial Value |
|---|---|---|
| 1992 | 10.7 % | 8.2 % |
| 1993 | 14.6 | 14.1 |
| 1994 | 0.9 | 2.4 |
| 1995 | 15.8 | 15.5 |
| 1996 | 8.8 | 10.1 |
| 1997 | 23.9 | 12.7 |
| 1998 | (1.4) | 9.3 |
| 1999 | 12.2 | 11.3 |
| 2000 | 10.9 | 10.7 |
| 2001 | (16.2) | 3.2 |
| 2002 | (9.8) | (10.7) |
| 2003 | 16.1 | 0.8 |
| 2004 | 8.4 | 1.8 |
| 2005 | 13.9 | 2.3 |
| 2006 | 7.1 | 7.8 |
| 2007 | 16.0 | 9.4 |
| 2008 | (15.0) | 4.3 |
| 2009 | (2.4) | (2.6) |
| 2010 | 9.7 | 6.3 |
| 2011 | (0.8) | 2.1 |
| 2012 | 21.2 | 8.4 |
| 2013 | 12.9 | 9.1 |
| 2014 | 9.6 | 9.2 |
| 2015 | 1.5 | 7.6 |
| 2016 | 9.3 | 7.5 |
| 2017 | 14.1 | 8.9 |
| 2018 | 9.6 | 9.1 |
| 2019 | 4.3 | 8.1 |
| 2020 | 11.0 | 8.7 |
| 2021 | 21.1 | 15.1 |
| 2022 | (16.8) | 1.7 |
| 2023 | 12.5 | 5.8 |
| **Average Returns:** | | |
| Last 5 Years | 5.6 % | 7.8 % |
| Last 10 Years | 7.2 % | 8.1 % |
| All Years Shown | 6.8 % | 6.7 % |

*Net of investment expenses after 2005.

# SECTION D

## FINANCIAL ACCOUNTING INFORMATION

## FASB STATEMENT NO. 35 INFORMATION

| | 10/1/2023 | 10/1/2022 |
|---|---|---|
| A. Valuation Date | 10/1/2023 | 10/1/2022 |
| B. Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Vested Benefits | | |
| a. Members Currently Receiving Payments | $ 374,434,049 | $ 366,477,455 |
| b. Terminated Vested Members | 13,859,912 | 12,719,192 |
| c. Other Members | 128,750,685 | 130,663,147 |
| d. Total | 517,044,646 | 509,859,794 |
| 2. Non-Vested Benefits | 5,931,669 | 5,713,935 |
| 3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2 | $ 522,976,315 | $ 515,573,729 |
| 4. Accumulated Contributions of Active Members | $ 12,374,912 | $ 14,477,103 |
| C. Changes in the Actuarial Present Value of Accumulated Plan Benefits | | |
| 1. Total Value at Beginning of Period | $ 515,573,729 | $ 502,481,095 |
| 2. Increase/(Decrease) During the Period Attributable to: | | |
| a. Change in Actuarial Assumptions | 0 | 10,876,136 |
| b. Plan Amendment | 0 | 0 |
| c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period | 46,098,895 | 39,390,103 |
| d. Benefits Paid | (38,696,309) | (37,173,605) |
| e. Net Increase | 7,402,586 | 13,092,634 |
| 3. Total Value at End of Period | $ 522,976,315 | $ 515,573,729 |
| D. Market Value of Assets | $ 459,537,072 | $ 431,017,402 |

# SECTION E

## MEMBERSHIP DATA AND STATISTICAL INFORMATION

| Reconciliation of Membership Data from October 1, 2022 through October 1, 2023 | | | |
|---|---|---|---|
| | **Traditional** | **Cash Balance** | **Total** |
| **A. Active Members** | | | |
| 1. Number Included in Last Valuation | 69 | 1,107 | 1,176 |
| 2. New Members | 0 | 135 | 135 |
| 3. Rehired Members | 0 | 0 | 0 |
| 4. Non-Vested Employment Terminations | 0 | (27) | (27) |
| 5. Vested Employment Terminations | 0 | (32) | (32) |
| 6. Terminations Resulting in Other Deferred Benefits | 0 | 0 | 0 |
| 7. Service Retirements | (13) | (21) | (34) |
| 8. Disability Retirements | 0 | 0 | 0 |
| 9. Deaths | (1) | (1) | (2) |
| 10. Other | 0 | 0 | 0 |
| 11. Number Included in This Valuation | 55 | 1,161 | 1,216 |
| **B. Terminated Vested Members** | | | |
| 1. Number Included in Last Valuation | 20 | 184 | 204 |
| 2. Additions from Active Members | 0 | 32 | 32 |
| 3. Lump Sum Payments/Refunds | 0 | (7) | (7) |
| 4. Payments Commenced | (3) | 0 | (3) |
| 5. Rehired | 0 | 0 | 0 |
| 6. Deaths | 0 | 0 | 0 |
| 7. Other (Data Adjustment / Additions from Other Deferred Benefits) | 0 | 0 | 0 |
| 8. Number Included in This Valuation | 17 | 209 | 226 |
| **C. Other Deferred Benefits (Survivors & Disabilities)** | | | |
| 1. Number Included in Last Valuation | 0 | 0 | 0 |
| 2. Additions from Active Members | 0 | 0 | 0 |
| 3. Additions from Service Retirees (Deferred Survivor) | 0 | 0 | 0 |
| 4. Payments Commenced | 0 | 0 | 0 |
| 5. Rehired | 0 | 0 | 0 |
| 6. Other (Additions to Terminated Vested Members) | 0 | 0 | 0 |
| 7. Number Included in This Valuation | 0 | 0 | 0 |
| **D. Retirees and Beneficiaries** | | | |
| 1. Number Included in Last Valuation | 886 | 18 | 904 |
| 2. Additions from Active Members | 13 | 21 | 34 |
| 3. Additions from Terminated Vested Members | 3 | 0 | 3 |
| 4. Additions from Other Deferred Benefits | 0 | 0 | 0 |
| 5. Deaths Resulting in No Further Payments | (21) | 0 | (21) |
| 6. End of Certain Period - No Further Payments | 0 | 0 | 0 |
| 7. Lump Sum Payments | 0 | (18) | (18) |
| 8. Rehired | 0 | 0 | 0 |
| 9. Other (Data Adjustment) | 2 | 1 | 3 |
| 10. Alternate Payee Conversion to Beneficiary (Participant Deceased) | 0 | 0 | 0 |
| 11. New Survivors Resulting from Deaths | 1 | 0 | 1 |
| 12. Number Included in This Valuation | 884 | 22 | 906 |
| **E. QDRO Alternate Payees** | | | |
| 1. Number Included in Last Valuation | 26 | 0 | 26 |
| 2. Additions | 1 | 0 | 1 |
| 3. Lump Sum Payments | 0 | 0 | 0 |
| 4. Conversion to Beneficiary (Participant Deceased) | 0 | 0 | 0 |
| 5. Deaths Resulting in No Further Payments | 0 | 0 | 0 |
| 6. Number Included in This Valuation | 27 | 0 | 27 |

**ORLANDO UTILITIES COMMISSION PENSION PLAN**
**ACTIVE MEMBERS ON OCTOBER 1, 2023**
**TRADITIONAL PENSION PLAN MEMBERS**

| Age | Years of Service | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Group | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 & Up | Totals |
| 30-34 | | | | | | | | |
| Total Pay | | | | | | | | |
| Avg. Pay | | | | | | | | |
| 35-39 | | | | | | | | |
| Total Pay | | | | | | | | |
| Avg. Pay | | | | | | | | |
| 40-44 | | | | | | | | 0 |
| Total Pay | | | | | | | | $0 |
| Avg. Pay | | | | | | | | $0 |
| 45-49 | | | | | | 3 | | 3 |
| Total Pay | | | | | | $469,268 | | $469,268 |
| Avg. Pay | | | | | | $156,423 | | $156,423 |
| 50-54 | | | | | | 7 | 5 | 12 |
| Total Pay | | | | | | $809,908 | $781,666 | $1,591,574 |
| Avg. Pay | | | | | | $115,701 | $156,333 | $132,631 |
| 55-59 | | | | | | 9 | 12 | 21 |
| Total Pay | | | | | | $921,951 | $1,399,322 | $2,321,273 |
| Avg. Pay | | | | | | $102,439 | $116,610 | $110,537 |
| 60-64 | | | | | | 2 | 12 | 14 |
| Total Pay | | | | | | $170,296 | $1,650,007 | $1,820,303 |
| Avg. Pay | | | | | | $85,148 | $137,501 | $130,022 |
| 65-99 | | | | | | 1 | 4 | 5 |
| Total Pay | | | | | | $76,729 | $668,951 | $745,680 |
| Avg. Pay | | | | | | $76,729 | $167,238 | $149,136 |
| Total No. | | | | | | 22 | 33 | 55 |
| Total Pay | | | | | | $2,448,152 | $4,499,946 | $6,948,097 |
| Avg. Pay | | | | | | $111,280 | $136,362 | $126,329 |

**ORLANDO UTILITIES COMMISSION PENSION PLAN**
**ACTIVE MEMBERS ON OCTOBER 1, 2023**
**CASH BALANCE MEMBERS**

| Age | Years of Service | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | **0-4** | **5-9** | **10-14** | **15-19** | **20-24** | **25-29** | **30 & Up** | **Totals** |
| Under 25 | 32 | | | | | | | 32 |
| Total Pay | $1,991,687 | | | | | | | $1,991,687 |
| Avg. Pay | $62,240 | | | | | | | $62,240 |
| 25-29 | 42 | 24 | | | | | | 66 |
| Total Pay | $2,762,289 | $2,077,285 | | | | | | $4,839,575 |
| Avg. Pay | $65,769 | $86,554 | | | | | | $73,327 |
| 30-34 | 50 | 42 | 5 | 1 | | | | 98 |
| Total Pay | $3,477,922 | $3,635,411 | $541,160 | $113,231 | | | | $7,767,724 |
| Avg. Pay | $69,558 | $86,557 | $108,232 | $113,231 | | | | $79,262 |
| 35-39 | 52 | 40 | 26 | 26 | | | | 144 |
| Total Pay | $4,174,139 | $3,510,717 | $2,245,073 | $2,433,837 | | | | $12,363,766 |
| Avg. Pay | $80,272 | $87,768 | $86,349 | $93,609 | | | | $85,859 |
| 40-44 | 50 | 56 | 19 | 26 | 7 | 1 | | 159 |
| Total Pay | $4,567,349 | $5,010,705 | $1,839,060 | $2,645,515 | $883,582 | $118,273 | | $15,064,484 |
| Avg. Pay | $91,347 | $89,477 | $96,793 | $101,751 | $126,226 | $118,273 | | $94,745 |
| 45-49 | 42 | 49 | 34 | 33 | 16 | 7 | | 181 |
| Total Pay | $3,802,428 | $5,006,766 | $3,341,922 | $3,213,346 | $1,835,446 | $890,034 | | $18,089,943 |
| Avg. Pay | $90,534 | $102,179 | $98,292 | $97,374 | $114,715 | $127,148 | | $99,944 |
| 50-54 | 40 | 33 | 22 | 41 | 19 | 19 | 8 | 182 |
| Total Pay | $3,952,791 | $3,833,074 | $2,475,781 | $3,996,888 | $1,949,842 | $2,101,493 | $1,593,730 | $19,903,599 |
| Avg. Pay | $98,820 | $116,154 | $112,536 | $97,485 | $102,623 | $110,605 | $199,216 | $109,360 |
| 55-59 | 34 | 26 | 15 | 31 | 26 | 11 | 19 | 162 |
| Total Pay | $2,926,176 | $3,184,514 | $1,685,585 | $3,025,469 | $3,106,871 | $1,346,736 | $2,891,594 | $18,166,947 |
| Avg. Pay | $86,064 | $122,481 | $112,372 | $97,596 | $119,495 | $122,431 | $152,189 | $112,142 |
| 60-64 | 25 | 20 | 8 | 19 | 14 | 6 | 4 | 96 |
| Total Pay | $2,688,221 | $2,022,607 | $849,389 | $2,606,579 | $1,412,704 | $887,443 | $607,341 | $11,074,286 |
| Avg. Pay | $107,529 | $101,130 | $106,174 | $137,188 | $100,907 | $147,907 | $151,835 | $115,357 |
| 65-99 | 8 | 9 | 4 | 4 | 10 | 4 | 2 | 41 |
| Total Pay | $552,762 | $1,041,489 | $311,075 | $430,024 | $949,863 | $492,809 | $266,446 | $4,044,467 |
| Avg. Pay | $69,095 | $115,721 | $77,769 | $107,506 | $94,986 | $123,202 | $133,223 | $98,646 |
| Total No. | 375 | 299 | 133 | 181 | 92 | 48 | 33 | 1,161 |
| Total Pay | $30,895,764 | $29,322,569 | $13,289,045 | $18,464,890 | $10,138,308 | $5,836,789 | $5,359,111 | $113,306,477 |
| Avg. Pay | $82,389 | $98,069 | $99,918 | $102,016 | $110,199 | $121,600 | $162,397 | $97,594 |

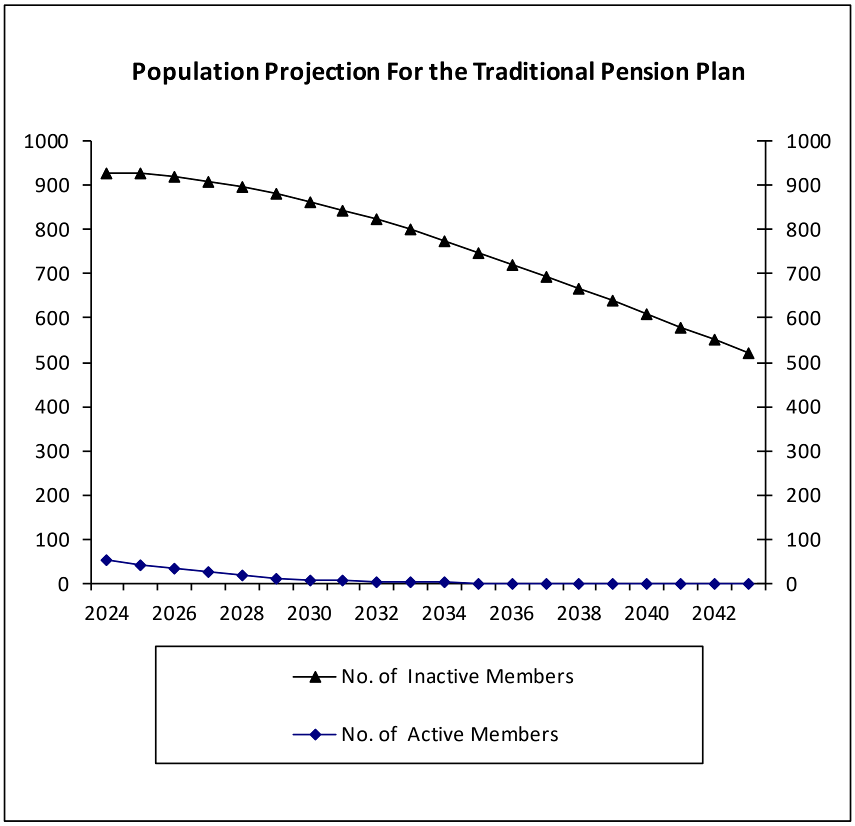
## Inactive Members on October 1, 2023

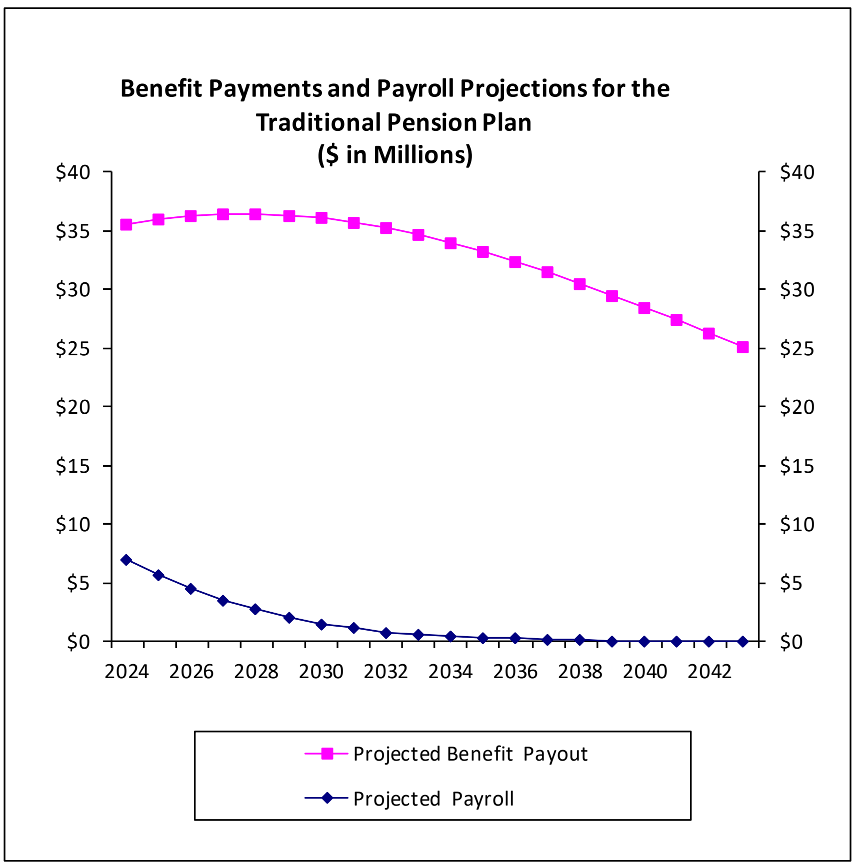
| Age | Terminated Vested | | | | Disabled | | | | Retired* | | | | Beneficiaries* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Traditional | | Cash Balance | | Traditional | | Cash Balance | | Traditional | | Cash Balance | | Traditional | | Cash Balance | |
| | No. | Annual Benefits | No. | Current Cash Balance | No. | Annual Benefits | No. | Current Cash Balance | No. | Annual Benefits | No. | Annual Benefits | No. | Annual Benefits | No. | Current Cash Balance |
| Under 45 | 0 | $0 | 68 | $3,311,734 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 1 | $8,678 | 0 | $0 |
| 45-49 | 0 | 0 | 45 | 3,496,084 | 0 | 0 | 0 | 0 | 2 | 76,975 | 0 | 0 | 2 | 17,501 | 0 | 0 |
| 50-54 | 3 | 32,291 | 41 | 4,035,627 | 0 | 0 | 0 | 0 | 11 | 501,347 | 0 | 0 | 3 | 104,596 | 0 | 0 |
| 55-59 | 6 | 76,611 | 40 | 4,017,384 | 0 | 0 | 0 | 0 | 38 | 1,942,041 | 0 | 0 | 3 | 32,299 | 0 | 0 |
| 60-64 | 7 | 107,618 | 15 | 1,514,467 | 2 | 40,019 | 0 | 0 | 115 | 6,087,756 | 4 | 308,766 | 14 | 389,223 | 0 | 0 |
| 65-69 | 1 | 157 | 0 | 0 | 2 | 57,479 | 0 | 0 | 145 | 6,549,709 | 9 | 794,273 | 28 | 625,869 | 0 | 0 |
| 70-74 | 0 | 0 | 0 | 0 | 2 | 39,228 | 0 | 0 | 167 | 7,124,856 | 8 | 695,879 | 32 | 558,879 | 0 | 0 |
| 75-79 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 126 | 4,644,524 | 1 | 181,646 | 24 | 525,561 | 0 | 0 |
| 80-84 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 72 | 2,446,477 | 0 | 0 | 37 | 612,945 | 0 | 0 |
| 85-89 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33 | 1,325,426 | 0 | 0 | 23 | 321,777 | 0 | 0 |
| 90 & Up | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17 | 433,100 | 0 | 0 | 12 | 166,204 | 0 | 0 |
| **Total** | **17** | **$216,677** | **209** | **$16,375,296** | **6** | **$136,726** | **0** | **$0** | **726** | **$31,132,211** | **22** | **$1,980,564** | **179** | **$3,363,532** | **0** | **$0** |

* Totals include $294,256 in benefits payable under Qualified Domestic Relations Orders.

## PROJECTED PAYROLL AND RETIREMENT BENEFITS FOR THE TRADITIONAL PENSION PLAN

| Fiscal Year End | No. of Active Members | Projected Payroll | No. of Inactive Members | Projected Benefit Payout |
|---|---|---|---|---|
| 2024 | 55 | $6,948,097 | 928 | $35,517,752 |
| 2025 | 43 | 5,607,108 | 926 | 36,015,903 |
| 2026 | 33 | 4,516,641 | 918 | 36,318,721 |
| 2027 | 25 | 3,554,454 | 909 | 36,474,354 |
| 2028 | 19 | 2,723,341 | 896 | 36,478,563 |
| 2029 | 13 | 2,049,421 | 881 | 36,337,694 |
| 2030 | 10 | 1,536,384 | 863 | 36,099,700 |
| 2031 | 7 | 1,119,431 | 843 | 35,715,857 |
| 2032 | 5 | 818,666 | 822 | 35,218,167 |
| 2033 | 3 | 582,133 | 799 | 34,625,520 |
| 2034 | 2 | 433,862 | 774 | 33,934,408 |
| 2035 | 2 | 321,134 | 748 | 33,168,894 |
| 2036 | 1 | 241,277 | 722 | 32,353,578 |
| 2037 | 1 | 160,770 | 695 | 31,467,531 |
| 2038 | 0.5 | 111,689 | 667 | 30,525,201 |
| 2039 | 0.3 | 70,808 | 638 | 29,521,653 |
| 2040 | 0.2 | 47,578 | 609 | 28,466,750 |
| 2041 | 0.1 | 31,323 | 580 | 27,365,080 |
| 2042 | 0.1 | 21,377 | 550 | 26,225,339 |
| 2043 | 0.04 | 12,709 | 521 | 25,048,719 |


Population Projection For the Traditional Pension Plan
1000
900
800
700
600
500
400
300
200
100
0
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
No. of Inactive Members
No. of Active Members


Benefit Payments and Payroll Projections for the Traditional Pension Plan
($ in Millions)
$40
$35
$30
$25
$20
$15
$10
$5
$0
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
Projected Benefit Payout
Projected Payroll

# SECTION F

## SUMMARY OF PLAN PROVISIONS

# Summary of Current Traditional Pension Plan Provisions

**A. Governing Document**

Plan established by the Orlando Utilities Commission, which was most recently amended and restated as described in the Actuarial Impact Statement dated December 18, 2019. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

**B. Effective Date**

September 1, 1954

**C. Plan Year**

October 1 through September 30

**D. Type of Plan**

Qualified, governmental defined benefit retirement plan; for GASB purposes, it is a single employer plan.

**E. Eligibility Requirements**

Each regular full-time or part-time employee is eligible on the date he becomes a regular employee. A regular employee is one who is regularly scheduled for at least 20 hours of work weekly and whose employment is expected to last at least 12 months. The Traditional Pension Plan has been closed to those hired on or after January 1, 1998 and those employees are participating in a defined contribution plan. Effective May 1, 2011, the plan is closed to a terminated vested participant of the Traditional Pension Plan who is re-employed; a retired participant of the Traditional Pension Plan who is rehired in a regular full time position is eligible to be a participant, pension benefits are suspended for the period of re-employment.

**F. Credited Service/Benefit Service**

Service is measured as continuous service from date of employment to date of termination from active employment to nearest month for which member has made required contributions and has not received a refund of contributions.

**G. Compensation**

Base compensation excluding bonuses, commissions, shift differential, overtime or other forms of nonrecurring compensation. Lump sum payment for unused leave is not included.

**H. Average Final Compensation (AFC)**

The average of Compensation over the highest 36 consecutive months immediately preceding termination or retirement.

**I. Normal Retirement**

Eligibility: A member may retire on the first day of the month coincident with or next following age 62 and 5 years of Credited Service. Transferred St. Cloud employees who terminate employment prior to May 1, 2007 may retire on or after age 65.

Benefit: The Accrued Benefit computed at retirement date. The Accrued Benefit is 2.5% of AFC multiplied by Benefit Service up to a maximum of 30 years. The Accrued Benefit is 4.1% or 2.7% of AFC multiplied by Benefit Service up to a maximum of 30 years for members whose job position is "Chief Executive Officer" or "Chief Financial Officer," respectively. Language has been added to the Plan that changes the pension benefit multiplier in the Traditional Pension Plan based on an executed Employment Agreement.

For transferred St. Cloud employees, the Accrued Benefit is:

- 1.75% of AFC multiplied by the first 10 years of St. Cloud Credited Service, plus
- 2.0% of AFC multiplied by St. Cloud Credited Service in excess of 10 years, plus
- 2.5% of AFC multiplied by years of Benefit Service with OUC after April 30, 1997,
- subject to a maximum of 75% of AFC

Normal Form of Benefit: 50% Joint and Survivor Annuity; other options are also available.

COLA: Payable to eligible retirees in accordance with Section U.

**J. Early Retirement**

Eligibility: A member may retire with a reduced benefit on the first day of the month coincident with or next following the earlier of age 55 with 10 years of Credited Service, or 25 year of Credited Service regardless of age.

Benefit: The Accrued Benefit, reduced by 0.0833% for each month by which the Early Retirement date precedes the Normal Retirement date.

For transferred St. Cloud employees who leave employment prior to May 1, 2007, the reduction is a full actuarial reduction.

Normal Form of Benefit: 50% Joint and Survivor Annuity; other options are also available.

COLA: Payable to eligible retirees in accordance with Section U.

**K. Delayed Retirement**

Same as Normal Retirement with computation made as of the Delayed Retirement Date.

**L. Service Connected Disability** Not Applicable

**M. Non-Service Connected Disability** Not Applicable

**N. Death Before Retirement**

| | |
|---|---|
| Eligibility: | All members with 10 or more years of Credited Service. |
| Eligible Survivor: | To be eligible for the survivor annuity payable for the life of the survivor, the survivor must be the spouse. |
| Minimum Benefit | Refund of accumulated member contributions with interest. |
| Benefit: | Before Earliest Retirement Age: For eligible survivors of members who die prior to being eligible for Early Retirement, one-half (1/2) of the Early Retirement Benefit payable to the spouse starting at the member's earliest retirement age. The Early Retirement Benefit is reduced by 0.5% for each month that the benefit commencement date precedes the Normal Retirement Date. Ineligible survivors will receive the Minimum Benefit.<br><br>After Earliest Retirement Age: For eligible survivors of members who die while eligible to Retire, one-half (1/2) of the Accrued Benefit payable to the spouse. If the member was eligible for Early Retirement and not yet eligible for Normal Retirement, the benefit is reduced by 0.0833% for each month that the benefit commencement date precedes the Normal Retirement Date. In the case of simultaneous death, a benefit will be paid for 60 months only. |
| Normal Form of Benefit: | Payable for lifetime of the eligible survivor. |
| COLA: | None |

**O. Death After Retirement**

Benefit determined by the form of benefit elected upon retirement.

**P. Optional Forms**

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single life Annuity, a 5 or 10 Year Certain and Life Annuity, or the 50%, 75% and 100% Joint and Survivor Annuity options.

The interest rate contained in the definition of Actuarial Equivalence for the Traditional Pension Plan is the interest rate most recently adopted by the Committee (which shall be equal to the actuarial assumed investment return) effective for all retirement dates on or after October 1, 2019.

## Q. Vested Termination/Severance Benefits

| | |
|---|---|
| Eligibility: | Members with 5 or more years of Credited Service have earned a non-forfeitable right to Plan benefits, provided they elect to leave their accumulated contributions in the fund. Members with less than 5 years of Credit Service are not vested. |
| Benefit: | Vested members: The vested portion of the Accrued Benefit as of the date of termination, payable at Normal Retirement Date. A member with at least 10 years of Credited Service may elect to receive a reduced benefit beginning any time after reaching his or her Early Retirement Date. The benefit will be reduced by 0.5% for each month prior to Normal Retirement date. |
| Normal Form of Benefit: | 50% Joint and Survivor Annuity; other options are also available. |
| COLA: | None |

## R. Refunds

| | |
|---|---|
| Eligibility: | All members; A refund is in lieu of any vested benefits otherwise due. |
| Benefit: | Refund of the member's contributions with interest. Interest is credited at the rate of 2.5% through May 31, 1976, 5% from June 1, 1976 through September 30, 1988, and 7.5% thereafter. |

## S. Member Contributions

4.0% of Compensation is paid through the later of age 62 or when maximum benefit accrual is reached.

## T. Employer Contributions

The additional amount determined by the actuary to properly fund the Plan according to State laws.

## U. Cost of Living Increases

Prior to the amendment referenced below, the last cost-of-living adjustment (COLA) granted was effective October 1, 1999, and annual COLAs were paid outside the Plan.

Based on the amendment effective January 1, 2015, the total amount of prior annual COLA increases after October 1, 2000 are paid from the Pension Plan.

Additionally, future COLAs will be paid to eligible retirees (includes current members who retire from active employment) starting when the member is retired and reaches age 65. These increases will be compounded annually and are based on the net return on Plan investments for the previous fiscal year in accordance with the following schedule:

| Net Investment Return | COLA Rate |
|---|---|
| ≤ 4.0% | 0.0% |
| > 4.0% and ≤ 8.0% | 1.0% |
| > 8.0% and ≤ 12.0% | 1.5% |
| > 12.0% | 2.0% |

Past and future COLAs are payable only to members who retire from active employment and are payable for the lifetime of the retiree. Upon death of the retiree, all COLAs cease, and the benefit payable to the survivor, if any, is based on the original benefit the retiree was receiving when the member first retired.

## V. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed an Orlando Utilities Commission Traditional Pension Plan liability if continued beyond the availability of funding by the current funding source.

## W. Changes From Previous Valuation

None.

# Summary of Current Cash Balance Plan Provisions

**A. Governing Document**

The Cash Balance Plan was adopted by the Orlando Utilities Commission effective May 1, 2011 as part of the OUC Hybrid Retirement Program document signed on April 29, 2011. Plan established by the Orlando Utilities Commission, which was most recently amended and restated as described in the Actuarial Impact Statement dated December 18, 2019. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

**B. Effective Date**

May 1, 2011

**C. Plan Year**

October 1 through September 30

**D. Type of Plan**

Qualified, governmental defined benefit retirement plan; for GASB purposes, it is a single employer plan.

**E. Eligibility Requirements**

Each regular full-time or part-time employee hired on or after January 1, 1998 and who is employed on May 1, 2011 is automatically eligible to participate on the Effective Date. A regular employee is one who is regularly scheduled for at least 20 hours of work weekly and whose employment is expected to last at least 12 months. Each regular full-time or part-time employee hired on or after the Effective Date is eligible to participate in the Cash Balance Plan. Regular full-time or part time employees who were hired prior to January 1, 1998 who elected to transfer from the Traditional Pension Plan to the Defined Contribution Plan are also automatically eligible on the Effective Date.

**F. Credited Service/Benefit Service**

For purpose of determining retirement eligibility and Pay Credits (see Section H), Credited Service is based on Plan Years in which the employee works at least 1,000 hours. In the event a former employee of OUC is rehired, such service shall commence as if the employee was a newly hired employee.

**G. Compensation**

Base compensation excluding bonuses, commissions, shift differential, overtime or other forms of nonrecurring compensation. Effective May 1, 2011, lump sum merit awards as defined in the personnel policies of OUC shall be included in compensation.

## H. Pay Credits

Pay Credits are granted each September 30th for actively employed eligible members and are based on the following schedule:

| Age Plus Credited Service | Pay Credit |
|---|---|
| 0 - 24 | 5% |
| 25 - 34 | 6% |
| 35 - 44 | 7% |
| 45 - 54 | 8% |
| 55 - 64 | 9% |
| 65 - 74 | 10% |
| 75 - 84 | 11% |
| 85+ | 12% |

For purposes of the above schedule, age is defined as the age of the employee as of the most recent birthday immediately preceding the date the Pay Credits are granted.

Pay credits may be changed based on an executed Employment Agreement.

## I. Interest Credits

The annual interest crediting rate for active members is based on the net return on investments in accordance with the following schedule:

| Net Investment Return | Interest Credit |
|---|---|
| ≤ 4.0% | 4.0% |
| > 4.0% and ≤ 8.0% | 5.0% |
| > 8.0% and ≤ 12.0% | 5.5% |
| > 12.0% | 6.0% |

For Plan Years beginning prior to October 1, 2019: Vested members who terminate employment receive the 4.0% minimum interest crediting rate until eligibility for receipt of benefits.

For Plan Years beginning on or after October 1, 2019: Vested terminated members who terminate employment will receive the interest rate most recently adopted by the Committee (the actuarial assumed investment return) reduced by 3.25%, until eligibility for receipt of benefits.

For Cash Balance Plan Members who retire after October 1, 2019, the Cash Balance "Notional Account" at retirement will be trued up and credited with a 5.0% interest credit from October 1st through the retirement effective date.

Effective with the Plan Year ending September 30, 2020, the annual interest credits to the Cash Balance "Notional Accounts" will be based on the Pension Trust investment earnings performance for the same period (eliminating the one-year lag period).

## J. Account Balance

The Account Balance is the accumulated value of Pay and Interest Credits. Actively employed eligible members as of May 1, 2011 were granted retroactive Pay Credits based on Section H above and Interest Credits of 4% from date of hire through September 30, 2010. For members who were previously employed and rehired by OUC, retroactive Pay and Interest credits were granted provided the employee had at least 5 years of Credited Service at the time of initial separation. Pay and Interest Credits were granted for such rehires only upon implementation of the Cash Balance Plan.

## K. Additional Credit for Traditional Pension Plan Employees

Additional credits were provided upon implementation of the Cash Balance Plan for members who had transferred from the Traditional Pension Plan to the Defined Contribution Plan in 1998. The additional credit was determined as the difference between the lump sum amount that was transferred to the Defined Contribution Plan and the amount the employee would have received had he/she been a member of the Defined Contribution Plan from initial hire date through 1998 and earned annual interest at 7%. This additional amount was credited for such members during 1998, and is included in the Account Balance as of September 30, 2010.

## L. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following the earlier of age 62 and 5 years of Credited Service, or 30 years of continuous Credited Service.

Benefit: For members who retire on or before September 30, 2019: The Account Balance computed at retirement, or, at the employee's election, an actuarially equivalent annuity based on the following assumptions:

- The most recent mortality table as adopted by the Committee
- Annual interest of 7.5%
- Annual cost-of-living adjustment based on the member's election

For members who retire on or after October 1, 2019: The Account Balance computed at retirement, or, at the employee's election, an actuarially equivalent annuity based on the interest rate most recently adopted by the Committee (the actuarial assumed investment return) reduced by 4.25% and the mortality table most recently adopted by the Committee.

Normal Form of Benefit: Single Life Annuity; other options are also available as described in Section S.

COLA: See Section W.

## M. Early Retirement

Not Applicable

## N. Delayed Retirement

Same as Normal Retirement with computation made as of the Delayed Retirement Date.

## O. Service Connected Disability

Eligibility: Members with 5 or more years of Credited Service who become permanently and totally disabled prior to eligibility for Normal Retirement. Benefits are not payable until Normal Retirement Eligibility.

Benefit: Account Balance as of date of disability, with Interest Credits through Normal Retirement Date. Member may select an annuity option as described in Section S.

## P. Non-Service Connected Disability

Eligibility: Members with 5 or more years of Credited Service who become permanently and totally disabled prior to eligibility for Normal Retirement. Benefits are not payable until Normal Retirement Eligibility.

Benefit: Account Balance as of date of disability, with Interest Credits through Normal Retirement Date. Member may select an annuity option as described in Section S.

## Q. Death Before Retirement

Eligibility: No service requirement.

Eligible Survivor: Employee's designated beneficiary.

Benefit: Less than 5 years of Credited Service: Eligible survivors of members who die prior to completing 5 years of Credited Service receive payment of the member's Account Balance as of date of death.

Five (5) or more years of Credited Service: Eligible survivors of members who die after completing at least 5 years of Credited Service receive payment of the member's Account Balance as of date of death.

## R. Death After Retirement

Benefit determined by the form of benefit elected upon retirement.

**S. Optional Forms**

For members who retire on or before September 30, 2019: In lieu of electing the Normal Form of benefit, the optional forms of benefits available to retirees are Joint and Survivor Annuity options or a lump sum payment of Account Balance, based on the following actuarial equivalence assumptions:

- The most recent mortality table as adopted by the Committee
- Annual interest of 7.5%
- Annual cost-of-living adjustment based on the member's election

For members who retire on or after October 1, 2019: In lieu of electing the Normal Form of benefit, the optional forms of benefits available to retirees are a 20-year term certain annuity or a lump sum payment of Account Balance. The interest rate used to convert the Cash Balance "Notional Account" to a 20-year term certain annuity shall be the interest rate most recently adopted by the Committee (the actuarial assumed investment return) reduced by 2.25%.

**T. Vested Termination/Severance Benefits**

Eligibility: Members with 5 or more years of Credited Service earn a non-forfeitable right to Plan benefits. Members with less than 5 years of Credited Service are not vested and their Account Balances are forfeited upon termination.

Benefit: Vested members: Pay Credits cease upon termination. Account Balance as of termination with annual Interest Credits until Normal Retirement date as described in Section I.

Normal Form of Benefit: Single Life Annuity; other options are also available as described in Section S.

COLA: See Section W.

**U. Member Contributions**

None.

**V. Employer Contributions**

The additional amount determined by the actuary to properly fund the Plan according to State laws.

**W. Cost of Living Increases**

For members who retire on or before October 1, 2019: Members may elect an actuarially reduced annuity and receive future annual increases of 1%, 2%, or 3%. Members may also elect an actuarially equivalent annuity without any future cost-of-living increases.

For members who retire after October 1, 2019: N/A.

### X. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed an Orlando Utilities Commission Cash Balance Plan liability if continued beyond the availability of funding by the current funding source.

### Y. Changes From Previous Valuation

None.