FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

August 24, 2026

Via Email

James Zervis
City of Boca Raton
201 West Palmetto Park Road
Boca Raton, FL 33432

Re: City of Boca Raton Police and Firefighters' Retirement System

Dear Mr. Zervis:

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

> The required Actuarial Impact Statement, which outlines the costs associated with implementing the change.

It will be necessary to forward the Impact Statement, along with a copy of the proposed Ordinance, to the Bureau of Local Retirement Systems and the Bureau of Police Officers & Firefighters Retirement Trust Funds prior to final reading.

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

Sincerely,

Bradley R. Heinrichs, FSA, EA, MAAA
BRH/mw

Enclosures

CITY OF BOCA RATON
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
ACTUARIAL IMPACT STATEMENT

August 24, 2026

Attached hereto is a comparison of the impact on the City's Required Contribution (per Chapter 112, Florida Statutes), resulting from the implementation of the following change:

Partial Refund of Buy Back – Provide that if a Firefighter purchased time prior to April 14, 2015 and their retirement benefit ends up being affected by the dollar cap, then they will receive a refund of a portion of the amount they originally paid for the buy back. When one of these Firefighters retires, the actuary would perform a three-step process. The first step would be to determine the difference in the total actuarial present value of their retirement benefit with and without the purchased service assuming that there was no cap on benefits (essentially the extra value at retirement the buy-back would have given them if there was no cap on benefits). Step 2 would be to determine the difference in the actuarial present value of their retirement benefit with and without the purchased service reflecting the actual cap on benefits (the actual extra value they are getting because of the buy back). The ratio of Step 2 over Step 1 reflects how much the buy back is being affected by the cap. If Step 1 was $100,000 and Step 2 was $80,000, then the cap is reducing the value of the buy back by 20% so the Member would get a refund of 20% of their original cost of the buy back. If their benefit at retirement ends up equaling the cap amount with and without the purchase of the time, then they would receive a refund of the full amount of the original buy back (without interest) because Step 2 is $0.00. There are approximately 8 Firefighters that would be affected by this provision. In order to approximate the impact on the City's funding requirements of giving these partial refunds we assumed that these eight Members would receive an immediate refund of one half of their original buy back. The actual refunds would be different for each Firefighter and will depend on when they actually retire.

The cost impact, determined as of October 1, 2025 and applicable to the fiscal year ending September 30, 2027, is found on the next page:

Bi-Weekly Deposits [1]

	New Benefits	Old Benefits
Valuation Date	10/1/2025	10/1/2025
Applicable Plan Year End	9/30/2027	9/30/2027
City Required Contribution (Police Officers)	$16,530,689	$16,530,689
% of Total Police Officers Payroll	*68.47%*	*68.47%*
City Required Contribution (Firefighters)	$13,814,494	$13,809,997
% of Total Firefighters Payroll	*49.28%*	*49.25%*
City Required Contribution (Total)	$30,345,183	$30,340,686
% of Total Annual Payroll	*58.16%*	*58.15%*

[1] The above requirements assume that the City is making bi-weekly contributions. If the City makes the full contribution at the beginning of the fiscal year, then above requirements would be reduced by 3.68221% (multiply by 1/1.0368221).

Beginning of Year Deposit

	New Benefits	Old Benefits
Valuation Date	10/1/2025	10/1/2025
Applicable Plan Year End	9/30/2027	9/30/2027
City Required Contribution (Police Officers)	$15,943,612	$15,943,612
% of Total Police Officers Payroll	*66.04%*	*66.04%*
City Required Contribution (Firefighters)	$13,323,881	$13,319,544
% of Total Firefighters Payroll	*47.53%*	*47.50%*
City Required Contribution (Total)	$29,267,493	$29,263,156
% of Total Annual Payroll	*56.09%*	*56.08%*

Unless otherwise noted, all data, assumptions, methods and plan provisions are the same as in the October 1, 2025 actuarial valuation report. It should be noted that changes to retirement benefits could potentially affect participants' retirement or termination behavior. We will monitor and advise of any recommended changes with future experience studies.

Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of this analysis, we did not perform an analysis of the potential range of such future measurements.

Please note the contents of this analysis and the October 1, 2025 actuarial valuation report are considered an integral part of the actuarial opinions. In reviewing the results presented in this impact statement, it should be noted that there are risks that may not be inherently apparent to the reader that should be carefully considered. While we have identified a few key risks, providing numerical analysis of such risks is outside the scope of this analysis. For additional key risks please see the Discussion of Risk section of the October 1, 2025 actuarial valuation report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The changes presented herein are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution. The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

Bradley R. Heinrichs, F.S.A., M.A.A.A.
Enrolled Actuary #26-6901

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
Total Plan

	New Benefits 10/1/2025	Prior Benefits 10/1/2025
A. Participant Data		
Number Included		
Actives	368	368
Service Retirees	303	303
DROP Retirees	77	77
Beneficiaries	34	34
Terminated Vested	13	13
Disability Retirees	26	26
Total	821	821
Total Annual Payroll	$50,171,972	$50,171,972
Payroll Under Assumed Ret. Age	50,171,972	50,171,972
Annual Rate of Payments to:		
Service Retirees	28,837,448	28,837,448
DROP Retirees	8,949,917	8,949,917
Beneficiaries	1,644,377	1,644,377
Terminated Vested	471,557	471,557
Disability Retirees	1,372,088	1,372,088
B. Assets		
Actuarial Value [1]	582,978,211	583,035,133
Market Value [1]	612,976,585	613,033,507
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	362,125,696	362,125,696
Disability Benefits	5,364,237	5,364,237
Death Benefits	3,562,740	3,562,740
Vested Benefits	16,877,338	16,877,338
Service Retirees	375,104,411	375,104,411
DROP Retirees [1]	177,947,055	177,947,055
Beneficiaries	17,246,644	17,246,644
Terminated Vested	5,720,265	5,720,265
Disability Retirees	14,357,038	14,357,038
Excess State Monies Reserve	0	0
Total	978,305,424	978,305,424

Total Plan

	New Benefits 10/1/2025	Prior Benefits 10/1/2025
C. Liabilities - (Continued)		
Present Value (PV) of Future Salaries	483,843,016	483,843,016
PV of Future Member Cont.	52,075,677	52,075,677
Normal Cost (Entry Age Normal)		
Retirement Benefits	14,441,089	14,441,089
Disability Benefits	389,903	389,903
Death Benefits	263,672	263,672
Vested Benefits	1,125,790	1,125,790
Total Normal Cost	16,220,454	16,220,454
PV of Future Normal Costs	152,307,664	152,307,664
Actuarial Accrued Liability		
Retirement Benefits	225,362,680	225,362,680
Disability Benefits	1,616,800	1,616,800
Death Benefits	994,778	994,778
Vested Benefits	7,648,089	7,648,089
Inactives [1]	590,375,413	590,375,413
Excess State Monies Reserve	0	0
Total Actuarial Accrued Liability	825,997,760	825,997,760
Unfunded Actuarial Accrued Liability	243,019,549	242,962,627
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives [1]	590,375,413	590,375,413
Actives	125,723,850	125,723,850
Member Contributions	12,938,353	12,938,353
Total	729,037,616	729,037,616
Non-vested Accrued Benefits	47,222,509	47,222,509
Total Present Value Accrued Benefits	776,260,125	776,260,125
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	0	
Benefits Paid	0	
Interest	0	
Other	0	
Total:	0	

Total Plan

	New Benefits	Prior Benefits
Valuation Date	10/1/2025	10/1/2025
Applicable to Fiscal Year Ending	9/30/2027	9/30/2027
E. Pension Cost		
Normal Cost [2]	$17,490,434	$17,490,434
% of Covered Annual Payroll	33.52	33.52
Administrative Expense	218,175	218,175
% of Covered Annual Payroll	0.42	0.42
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 10/1/2025) [2]	24,994,925	24,990,428
% of Covered Annual Payroll	47.90	47.89
Total Required Contribution	42,703,534	42,699,037
% of Covered Annual Payroll	81.84	81.83
Expected Member Contributions	5,636,121	5,636,121
% of Covered Annual Payroll	10.80	10.80
Expected City & State Contribution	37,067,413	37,062,916
% of Covered Annual Payroll	71.04	71.03

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

[2] Includes Interest.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
Police Officers

	New Benefits 10/1/2025	Prior Benefits 10/1/2025
A. Participant Data		
Number Included		
Actives	171	171
Service Retirees	167	167
DROP Retirees	26	26
Beneficiaries	15	15
Terminated Vested	11	11
Disability Retirees	15	15
Total	405	405
Total Annual Payroll	$23,215,873	$23,215,873
Payroll Under Assumed Ret. Age	23,215,873	23,215,873
Annual Rate of Payments to:		
Service Retirees	14,730,692	14,730,692
DROP Retirees	3,282,014	3,282,014
Beneficiaries	515,526	515,526
Terminated Vested	433,424	433,424
Disability Retirees	673,514	673,514
B. Assets		
Actuarial Value [1]	267,304,439	267,304,439
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	168,027,778	168,027,778
Disability Benefits	2,077,437	2,077,437
Death Benefits	1,276,418	1,276,418
Vested Benefits	12,716,023	12,716,023
Service Retirees	196,265,305	196,265,305
DROP Retirees [1]	66,188,006	66,188,006
Beneficiaries	5,881,121	5,881,121
Terminated Vested	5,126,587	5,126,587
Disability Retirees	6,939,233	6,939,233
Excess State Monies Reserve	0	0
Total	464,497,908	464,497,908

Police Officers

	New Benefits 10/1/2025	Prior Benefits 10/1/2025
C. Liabilities - (Continued)		
Present Value (PV) of Future Salaries	209,514,520	209,514,520
PV of Future Member Cont.	24,094,170	24,094,170
Normal Cost (Entry Age Normal)		
Retirement Benefits	7,132,597	7,132,597
Disability Benefits	163,981	163,981
Death Benefits	104,971	104,971
Vested Benefits	846,754	846,754
Total Normal Cost	8,248,303	8,248,303
PV of Future Normal Costs	72,783,654	72,783,654
Actuarial Accrued Liability		
Retirement Benefits	104,054,346	104,054,346
Disability Benefits	588,194	588,194
Death Benefits	311,885	311,885
Vested Benefits	6,359,577	6,359,577
Inactives [1]	280,400,252	280,400,252
Excess State Monies Reserve	0	0
Total Actuarial Accrued Liability	391,714,254	391,714,254
Unfunded Actuarial Accrued Liability	124,409,815	124,409,815
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives [1]	280,400,252	280,400,252
Actives	57,458,180	57,458,180
Member Contributions	6,407,936	6,407,936
Total	344,266,368	344,266,368
Non-vested Accrued Benefits	16,276,854	16,276,854
Total Present Value Accrued Benefits	360,543,222	360,543,222
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	0	
Benefits Paid	0	
Interest	0	
Other	0	
Total	0	

Police Officers

	New Benefits	Prior Benefits
Valuation Date	10/1/2025	10/1/2025
Applicable to Fiscal Year Ending	9/30/2027	9/30/2027
E. Pension Cost		
Normal Cost [2]	$8,894,103	$8,894,103
% of Covered Annual Payroll	36.84	36.84
Administrative Expense	109,088	109,088
% of Covered Annual Payroll	0.45	0.45
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 10/1/2025) [2]	12,844,741	12,844,741
% of Covered Annual Payroll	53.20	53.20
Total Required Contribution	21,847,932	21,847,932
% of Covered Annual Payroll	90.49	90.49
Expected Member Contributions	2,776,618	2,776,618
% of Covered Annual Payroll	11.50	11.50
Expected City & State Contribution	19,071,314	19,071,314
% of Covered Annual Payroll	78.99	78.99

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

[2] Includes Interest.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
Firefighters

	New Benefits 10/1/2025	Prior Benefits 10/1/2025
A. Participant Data		
Number Included		
Actives	197	197
Service Retirees	136	136
DROP Retirees	51	51
Beneficiaries	19	19
Terminated Vested	2	2
Disability Retirees	11	11
Total	416	416
Total Annual Payroll	$26,956,099	$26,956,099
Payroll Under Assumed Ret. Age	26,956,099	26,956,099
Annual Rate of Payments to:		
Service Retirees	14,106,756	14,106,756
DROP Retirees	5,667,903	5,667,903
Beneficiaries	1,128,851	1,128,851
Terminated Vested	38,133	38,133
Disability Retirees	698,574	698,574
B. Assets		
Actuarial Value [1]	315,673,772	315,730,694
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	194,097,918	194,097,918
Disability Benefits	3,286,800	3,286,800
Death Benefits	2,286,322	2,286,322
Vested Benefits	4,161,315	4,161,315
Service Retirees	178,839,106	178,839,106
DROP Retirees [1]	111,759,049	111,759,049
Beneficiaries	11,365,523	11,365,523
Terminated Vested	593,678	593,678
Disability Retirees	7,417,805	7,417,805
Excess State Monies Reserve	0	0
Total	513,807,516	513,807,516

Firefighters

	New Benefits 10/1/2025	Prior Benefits 10/1/2025
C. Liabilities - (Continued)		
Present Value (PV) of Future Salaries	274,328,496	274,328,496
PV of Future Member Cont.	27,981,507	27,981,507
Normal Cost (Entry Age Normal)		
Retirement Benefits	7,308,492	7,308,492
Disability Benefits	225,922	225,922
Death Benefits	158,701	158,701
Vested Benefits	279,036	279,036
Total Normal Cost	7,972,151	7,972,151
PV of Future Normal Costs	79,524,010	79,524,010
Actuarial Accrued Liability		
Retirement Benefits	121,308,334	121,308,334
Disability Benefits	1,028,606	1,028,606
Death Benefits	682,893	682,893
Vested Benefits	1,288,512	1,288,512
Inactives [1]	309,975,161	309,975,161
Excess State Monies Reserve	0	0
Total Actuarial Accrued Liability	434,283,506	434,283,506
Unfunded Actuarial Accrued Liability	118,609,734	118,552,812
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives [1]	309,975,161	309,975,161
Actives	68,265,670	68,265,670
Member Contributions	6,530,417	6,530,417
Total	384,771,248	384,771,248
Non-vested Accrued Benefits	30,945,655	30,945,655
Total Present Value Accrued Benefits	415,716,903	415,716,903
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	0	
Benefits Paid	0	
Interest	0	
Other	0	
Total	0	

Firefighters

	New Benefits	Prior Benefits
Valuation Date	10/1/2025	10/1/2025
Applicable to Fiscal Year Ending	9/30/2027	9/30/2027
E. Pension Cost		
Normal Cost [2]	$8,596,330	$8,596,330
% of Covered Annual Payroll	30.66	30.66
Administrative Expense	109,088	109,088
% of Covered Annual Payroll	0.39	0.39
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 10/1/2025) [2]	12,150,184	12,145,687
% of Covered Annual Payroll	43.34	43.32
Total Required Contribution	20,855,602	20,851,105
% of Covered Annual Payroll	74.39	74.37
Expected Member Contributions	2,859,503	2,859,503
% of Covered Annual Payroll	10.20	10.20
Expected City & State Contribution	17,996,099	17,991,602
% of Covered Annual Payroll	64.19	64.17

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

[2] Includes Interest.

ACTUARIAL ASSUMPTIONS AND METHODS

A. Mortality

Healthy Active Lives:
Female: PubS-2010 for Employees
Male: PubS-2010 for Employees, set forward one year

Healthy Retiree Lives:
Female: PubS-2010 for Healthy Retirees
Male: PubS-2010 for Healthy Retirees, set forward one year

Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees
Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:
Female: PubG.H-2010 for Disabled Retirees, set forward one year
Male: PubG.H-2010 for Disabled Retirees

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2021. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

B. Investment Return

7.50% compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

C. Allowances for Expenses or Contingencies

Estimated expenses are assumed to equal actual expenses for the prior year, net of investment-related expenses and are split equally between Police and Firefighters.

D. Actuarial Value of Assets

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period. The Actuarial Value of Assets was reset to the Market Value of Assets as of September 30, 2013.

E. Marital Assumptions

80% of active members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses. No remarriage is assumed for surviving spouses of deceased Members. These assumptions are consistent with those used in other police and fire plans.

F. Payroll Growth Projection

2.92% per annum for amortizing the Unfunded Actuarial Accrued Liabilities. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

For the purpose of determining the City's funding requirements, the required contribution determined on the valuation date is increased by 4.00% to reflect increases in expected payroll.

G. State Contributions

It is assumed that State tax revenue paid to the plan for the upcoming year will be 5% greater than the actual revenue for the prior year. This is consistent with the historical annual increase in State contributions.

H. Assumed Rate of Salary Increase

Sample ultimate rates are as follows:

Firefighters

Age	Salary Increase
20	8.00%
25	8.00%
30	6.60%
35	5.50%
40	4.00%
45	4.00%
50	4.00%
55	4.00%

Police Officers

Age	Salary Increase
20	9.00%
25	8.50%
30	7.00%
35	5.20%
40	4.50%
45	4.25%
50	4.25%
55	4.25%

Annualized compensation is provided by the client for new hires.

The current assumption was developed as a result of the August 5, 2022 Experience Study.

I. Assumed Rates of Employment Termination and Disability

Annual Rate of Employment Termination				Annual Rate of Disability	
Age	Yrs of Service	Police Rates of Withdrawal	Firefighters Rates of Withdrawal	Age	Disability
All	0	15.0%	2.0%	20	0.030%
	1	7.0%	2.0%	25	0.045%
	2	3.0%	2.0%	30	0.045%
	3	3.0%	2.0%	35	0.071%
	4	3.0%	2.0%	40	0.105%
	5 and over	2.0%	1.0%	45	0.143%
				50	0.180%
				55	0.240%

100% of pre-retirement deaths and disabilities are assumed to be Service Incurred.

The current assumption was developed as a result of the August 5, 2022 Experience Study.

J. Assumed Rate of Retirement

	Firefighters' Rate of Retirement		
Years of Service	Under age 50	Above Age 49	Police Rate of Retirement
20	28%	28%	53%
21	10%	25%	40%
22	10%	10%	40%
23	10%	10%	40%
24	15%	20%	75%
25-27	15%	30%	100%
28	30%	30%	100%
29	75%	75%	100%
30-32	100%	100%	100%
33+	100%	100%	100%

After Age 70 rates for both Police and Firefighters are 100% regardless of service.

The current assumption was developed as a result of the November 12, 2015 Experience Study and maintained after the August 5, 2022 Experience Study.

K. Actuarial Funding Method

Normal Retirement, Termination, Disability and Death Benefits

Entry Age Actuarial Cost Method. Under this method, the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his age at hire to his assumed retirement age to fund his estimated benefits, assuming the current Plan has always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the actuarial value of assets of the Plan.

Unfunded actuarial accrued liability bases are funded as a level percentage of increasing payroll and were consolidated in the October 1, 2016 valuation report into one 20-year base.

SUMMARY OF PLAN PROVISIONS

A. Eligibility Requirements

Employment by the City as a sworn Police Officer or Firefighter upon satisfactory physical and attainment of age 18. All Members are presumed to execute the waiver related to claims concerning State monies and are therefore eligible for the modified benefits under the Code of Ordinances, as reflected below.

B. Continuous Service

Uninterrupted service (except for leave and military service) as a qualifying employee measured in years and completed months, excluding service for which Member contributions were refunded and not repaid within 6 months of rehire.

C. Earnings

Firefighters: Fixed remuneration, including basic wages, regular longevity, EMT, paramedic, fire inspection, hazardous materials, assignment, acting in a higher capacity, standby, pickup contributions, and IRC Section 457 deferred compensation, but excluding overtime, holiday, state incentive, bonuses, Time Pool pay, accumulated sick time and annual leave, and any other payments.

* On and after April 14, 2015, pensionable Earnings shall include fire inspector certification pay, fire company officer certification pay, fire instructor certification pay and technical rescue technician certification pay.

Police Officers: Total cash remuneration, assignment, crash-free bonus, pickup contributions, and Section 457 deferred compensation, and including up to 300 hours of overtime compensation per 12-month period (with a limited lookback provision), but excluding other bonuses, accumulated sick time and annual leave, and any other payments. No longevity is included in Average Monthly Earnings.

* For Members hired on and after April 14, 2015, no overtime shall be included in Average Monthly Earnings.

D. Average Monthly Earnings (AME)

Firefighters: Average Monthly Earnings (AME) during the highest 2 years preceding the date on which the Member retires or terminates.

Police Officers: Average Monthly Earnings (AME) will be the average earnings for the 3 consecutive years immediately preceding retirement, provided that the AME for any officer who retires prior to October 1, 2017 shall be the greater of the arithmetic average of the highest 2 years preceding actual retirement and the arithmetic average of annual earnings for the 3 consecutive years immediately preceding retirement.

E. Normal Retirement

1. Eligibility

Attainment of age 55 and 10 years of Continuous Service, or completion of 20 years of Continuous Service.

2. **Benefit**

Firefighters: 3.4% times AME times years of Continuous Service, subject to a maximum of 100% of AME.

* For members retiring on or after April 14, 2015, the maximum Normal Retirement Benefit shall be the lesser of $100,000 or 90% of AME. This maximum benefit will increase by 2.0% per year.

Police Officers: 3.5% times AME times years of Continuous Service, subject to a maximum of the greater of 87.5% of AME or 2% of AME times years of Continuous Service.

* For Members retiring on and after April 14, 2015, the Maximum benefit is 77% of AME. This Maximum benefit shall be increased to include the percentage attributable to previously purchased past service, but in no event shall the total benefit exceed 87.5% of AME.

** Not withstanding the prior maximums, the maximum normal retirement benefit for Members who retire on or after the effective date of the ordinance shall be 84% of AME.

3. **Form of Benefit for This and Other Retirement and Termination Benefits**

Regular Pension: 10-year certain and life monthly payments.

Supplemental: Life monthly payments.

Actuarially equivalent optional forms may be elected for one or both benefits and need not be the same. Actuarial equivalence is based on mortality in accordance with the GAM-1983 Male mortality table for Members and the GAM-1983 Female mortality table for joint annuitants, and 7.5% interest. This actuarial equivalent calculation will reflect applicable cost of living increases and annual increases.

F. Regular Early Retirement

1. **Eligibility:** Age 50 with 10 years of Continuous Service.

2. **Benefit:** Computed as for Normal Retirement based upon Continuous Service and AME as of Early Retirement Date but reduced by 0.25% for each month Early Retirement precedes Normal Retirement.

G. Disability Retirement

1. **Eligibility:**

Service Incurred: Total and permanently disabled in the line of duty, meaning incapacity to perform regular duty as a Firefighter or Police Officer.

Non-service Incurred: Total and permanently disabled not in the line of duty; meaning incapacity to perform regular duty as a Firefighter or Police Officer, and completion of at least 10 years of Continuous Service.

2. Benefit

Service Incurred: 75% of AME as of the date of disability, or the accrued benefit if greater. May be offset by other disability benefits.

Non- Service Incurred: The accrued benefit, minimum of 25% of AME (per State requirements) on the date of disability.

H. Pre-Retirement Death Benefit

1. Eligibility

Service Incurred: Death in the line of duty.

Non-service Incurred: Death other than in the line of duty after 5 years of Continuous Service. (If less than 5 years, only a $5,000 lump sum is payable; if less than 1 year, only a $2,500 lump sum.)

2. Benefit

Service Incurred: If the designated beneficiary is the spouse, the greater of A or B, plus C, plus D below; otherwise B, plus C, plus D below:

A. To spouse, 75% of AME payable for life, beginning immediately.

B. If the Member had at least 10 years of Continuous Service, the accrued benefit, payable for 10 years certain only, beginning when the Member would have reached Early or Normal Retirement Age.

C. Minor children receive 7.5% of AME until death, marriage or attainment of age 18 (if full time student, attainment of age 22). Total monthly benefit under A and C, not to exceed 90% of AME. Upon death of the surviving spouse, the allowance shall be increased to 15% for each child, subject to a maximum combined total of the greater of 50% AME or the accrued benefit.

D. A lump sum of $5,000.

Non-service Incurred: If' the designated beneficiary is the spouse, the greater of A or B, plus C, plus D below; otherwise B, plus C, plus D below:

A. To spouse, 65% of accrued benefit, with a minimum of 20% of AME payable for life, beginning immediately.

B. If the Member had at least 10 years of Continuous Service, the accrued benefit, payable for 10 years certain only, beginning when the Member would have reached Early or Normal Retirement Age (i.e. same as Service Incurred).

C. Minor children receive 7.5% of AME until death, marriage or attainment of age 18 (if full time student, attainment of age 22). Total monthly benefit under A and C not to exceed the greater of 50% of AME or the accrued benefit. Upon death of the surviving spouse, the allowance shall be increased to 15% for each child, subject to a maximum combined total of the greater of 50% AME or the accrued benefit.

D. A lump Sum of $5,000 (i.e., same as Service Incurred).

3. **HEART Act.** In accordance with the HEART Act, a Member who dies while performing qualified military service shall be treated, for purposes of survivor benefits, as if he or she resumed employment and then terminated on account of death. The Member's survivor(s) shall be eligible for any additional benefits attributable to such "reemployment," other than benefit accruals related to the qualified military service. (The liability for the additional benefits attributable to the deemed reemployment is relatively small and has a small probability of occurrence; therefore, it is not anticipated or funded in advance.)

I. Employee Contributions

Firefighters: 10.2% of annual earnings (9.2% prior to October 26, 2010).

Police Officers: 11.5% of annual earnings (10.2% between October 26, 2010 and September 30, 2014; 9.2% prior to October 26, 2010).

(3% interest is paid on refunds of Member contributions. Each Member is guaranteed benefit payments at least equal to his Member contributions plus 3% interest.)

J. Termination Benefit

If termination occurs after the completion of 10 years of Continuous Service, the full accrued retirement benefit is payable at Normal Retirement Date, or, at the Member's option, a refund of accumulated contributions is made. If termination occurs prior to completion of 10 years of Continuous Service, a refund of accumulated contributions is made.

Firefighters: For purposes of determining the Normal Retirement Date, the entire Terminated Vested benefit will be payable after attainment of Age 55 (or Age 50 reduced 5 years for Early Retirement).

Police Officers: For purposes of determining the Normal Retirement Date, Continuous Service includes the period of time after termination.

K. DROP Plan

A Deferred Retirement Option Plan (DROP) is available to Members who are eligible for Normal Retirement, with maximum DROP participation of 7 years. DROP accounts are credited with the same overall rate of return on pension fund investments, or DROP Members may elect a self-directed account option. No Disability or Pre-Retirement Death Benefits are provided while a Member is in DROP.

L. Cost-of-Living Adjustments

Provided to retired, disabled, and terminated Members (after their pensions commence), and to DROP Members, and to all their survivors and beneficiaries, but not those receiving Pre-Retirement Death Benefits and not with respect to the Supplement. Other COLAs applied in the past, but for currently active Member's the following apply:

Firefighters: Retirements and terminations on or after December 9, 2008, receive a 3% annual COLA, with the first increase:

- With 22 years of service, the later of 1 year after retirement and age 52
- With 21 but less than 22 years of service, the later of 2 years after retirement and age 52
- With 20 but less than 21 years of service, the later of 3 years after retirement and age 52

Effective October 1, 2023, eligible Firefighter Members who were hired prior to October 1, 2023 and retire on or after that date and after attaining age 55 with 10 years of continuous service, will be eligible for the automatic annual cost of living adjustment (COLA) beginning one year after retirement.

* For Members retiring on and after April 14, 2015, for that portion of the retirement benefit that accrues on or after April 14, 2015 the COLA shall be based on a 2.5% annual increase (COLA) in their retirement benefit with no change on when the COLA is payable.

Police Officers: Retirements and terminations on or after October 1, 2001, receive a 2% annual COLA commencing 1 year after retirement, or in the case of Disability, 1 year after eligibility for Normal Retirement.

* No Pension COLA unless the Member retires under normal retirement (Only Normal Retirees will receive a COLA on the benefit earned on and after April 14, 2015). For Members who enter the DROP on or after April 14, 2015, the automatic COLA will begin the earlier of 1 year after termination of employment and 3 years after DROP entry.

M. Supplement

Each Member who retires from the City receives a supplement of $10.50 ($10.00 for retirements prior to October 26, 2010, but after July 19, 1999) per month per completed year of Continuous Service (including DROP service). Police Officers who retire on or after May 25, 2021 receive $20.00 per month per completed year of Continuous Service (including DROP service).

Police Officers and Firefighters who were employed on or hired after October 1, 2023 (including DROP participants as of October 1, 2023) receive $50.00 per month per completed year of Continuous Service (including DROP service).

Firefighters: The Supplement for Members who Terminated Vested will freeze as of April 14, 2015. Additionally, the benefit payable for Members who terminate prior to Early or Normal Retirement will be payable after attainment of Age 55 (or Age 50 reduced 5 years for Early Retirement).

N. Past Service

Members may purchase up to 5 years of past service for prior military, police or firefighter service for the full actuarial cost, in accordance with the provisions of the Code of Ordinances.

O. Transfers

Employees who transfer from the General Employees' Pension Plan to this Plan:

1. Have their Member and City contributions transferred to this Plan (considered in total to be the Entry Age Actuarial Accrued Liability and Normal Cost through the effective date of the employee's transfer), and

2. Have their accrued benefits provided by this Plan, based on their respective multipliers and Continuous Service under each plan and on their AME under this Plan, subject to the same overall maximums provided for in this Plan. The General Employee portion will not receive any cost of living adjustments.