

## **General Employees' Pension Plan for the City of Tampa**

### **Actuarial Report for Funding and Accounting Information as of January 1, 2012**

**To Determine the Annual Contribution for the  
Plan Year October 1, 2012, to September 30, 2013,  
to be Paid in the Fiscal Year October 1, 2012, to  
September 30, 2013**



Board of Trustees  
General Employees' Pension Plan  
for the City of Tampa  
315 East Kennedy Boulevard  
Tampa, Florida 33602

Re: *General Employees' Pension Plan for the City of Tampa*

Dear Trustees:

In accordance with your request, we have performed an actuarial valuation for the captioned pension plan as of January 1, 2012. Contained in this report are the contribution requirements for the Plan Year beginning October 1, 2012, and ending September 30, 2013, measurements of the funded status of the plan, and disclosures for financial accounting.

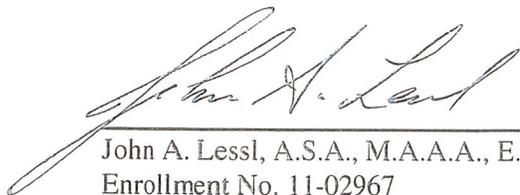
This report is intended for the sole use of the City of Tampa and the Pension Board, and is intended only to supply information for the City and Board to comply with the stated purposes of the report and may not be appropriate for other purposes. Reliance on information contained in this report by anyone for other than the intended purposes, puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions. Accordingly, no person or entity, including the City of Tampa and the Pension Board, should base any representations or warranties in any agreement on any statements or conclusions contained in this report, without the written consent of Aon Hewitt.

This report includes a Summary of Major Plan Provisions and a description of the Actuarial Basis used in the valuation. We relied on employee and financial data provided by the City. The Actuarial Cost Method used is considered acceptable under the Rules of the Department of Administration, Division of Retirement, Chapter 60T-1, Local Retirement Systems' Actuarial Reports.

#### STATEMENT BY ENROLLED ACTUARY

This actuarial valuation and/or cost determination was prepared and completed by the undersigned or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise provided for 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.

Respectfully submitted,

  
John A. Lessl, A.S.A., M.A.A.A., E.A.  
Enrollment No. 11-02967

*5-31-12*  
\_\_\_\_\_  
Date

# General Employees' Pension Plan For the City of Tampa

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# General Employees' Pension Plan For the City of Tampa

## Discussion of Results

January 1, 2012

The results of the actuarial valuation of the City of Tampa General Employees' Pension Plan as of January 1, 2012, are contained in this report. The actuarial valuation is based upon census data and trust fund financial statements provided to us by the City.

There were no changes in assumptions or methodology this year.

### Plan Changes

No plan changes were recognized this year.

### Required Contribution

The State minimum required contribution is developed on pages 4 and 5. The required contribution increased from \$22,712,265 to \$23,633,114, i.e., an increase of \$920,849. These figures are net of Past Excess Contributions, i.e., contributions actually made for prior years above the required levels.

	Plan Year Ended		
	09/30/2011	09/30/2012	09/30/2013
State Minimum Required Contribution*	\$21,057,403	\$22,712,265	\$23,633,114
Percent of Participants' Compensation	14.0%	16.7%	17.5%

\* Under a new state interpretation, the actual required contribution is not this number, which is based on projected Participants' Compensation Below Maximum Assumed Retirement Age (age 70). Rather it is to be based on the percent shown and actual Participants' Compensation Below Maximum Assumed Retirement Age for that Plan Year.

One component of change each year in the minimum required contribution is the reimbursement of plan expenses. The actual expenses for the year ended September 30, 2011, were \$3.09 million. This becomes the estimated expense provision for the 2012-2013 year. The make-up provision was an additional \$0.35 million. Thus the total provision for expenses is \$3.44 million, or \$0.67 million less than 2011-2012.

### Actuarial Experience

The minimum required contribution decreased this year due to the less-than-expected increase in compensation of participants, but increased a considerably greater amount due to the less-than-expected return on the (smoothed) Actuarial Value of Assets.

The investment return on the Actuarial Value of Assets was 1.9% for the year ended December 31, 2011 – compared to the assumed rate of return of 8.0% annually. Investment experience compounded over the last 5 years has been approximately 4.9% per year. Compensation for continuing participants increased 0.7% on average – compared to the assumed salary increase of 6.0% annually. Compensation increases compounded over the last 5 years have been approximately 2.5% per year.

## General Employees' Pension Plan For the City of Tampa

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The following table summarizes the factors which affected the valuation results, along with their approximate impact:

	Impact on Present Value of Benefits or Actuarial Value of Assets (000's)	Impact on Required Contribution (000's)
Expected Increase due to Expected Payroll Increase	N/A	\$ 1,109
Investment Performance less than Expected	\$ (34,969)	3,425
Compensation Increases less than Expected	(15,144)	(1,483)
Change in Plan Expenses and Make-up	N/A	(673)
Change in Past Excess Contributions	N/A	1,142
Correction of Data Input	(17,779)	(1,741)
All Other Experience	N/A	<u>(858)</u>
		<u>\$ 921</u>

### Funded Status

One of the best measures of the Funded Status of a defined benefit plan is considered to be the level of funding of the Accumulated Plan Benefits and Vested Benefits. Accumulated Plan Benefits are those future benefit payments that are attributable to employees' service rendered prior to the valuation date based on employees' actual pay histories (or estimates thereof). This measurement of benefits does not take into account the effect of potential future salary increases. Vested Benefits are those benefits which become nonforfeitable after 6 years of Service or which are attributable to employee contributions. Based on this measurement of Funded Status, using the Actuarial Value of Assets, the plan is adequately funded as of January 1, 2012, although a higher level of excess funding would be desirable:

	01/01/2011	01/01/2012
<b>NET ASSETS AVAILABLE FOR BENEFITS*</b>	\$ 567,255,000	\$ 554,594,000
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
TOTAL VESTED BENEFITS	\$ 574,942,308	\$ 570,655,228
Percent Funded	98.7%	97.2%
<b>TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
	\$ 579,708,864	\$ 575,167,048
Percent Funded	97.9%	96.4%

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\* Actuarial Value of Assets

## General Employees' Pension Plan For the City of Tampa

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The Governmental Accounting Standards Board statement, GASB 25, requires the disclosure of the plan's funded status using the methods and assumptions applied in determining its funding requirements. This measure of the funded status considers the Actuarial Accrued Liability to be that portion of the Present Value of Benefits not covered by expected future employee contributions and future City Normal Costs. (The Present Value of Benefits is the value of all benefits expected to be paid to current participants including those attributable to future service and future compensation increases.):

	01/01/2011	01/01/2012
ACTUARIAL VALUE OF ASSETS	\$ 567,255,000	\$ 554,594,000
ACTUARIAL ACCRUED LIABILITY	\$ 574,792,839	\$ 561,569,839
Funded Ratio	98.7%	98.8%

Another, more traditional measure of the Funded Status uses the Entry Age Normal Accrued Liability. This accrued liability equals the Present Value of Benefits less the Present Value of Future Entry Age Normal Costs. (See the description of the entry age normal method on the "Actuarial Cost Method" pages herein.) This accrued liability is independent of the actual plan assets and therefore may be a more reasonable "mile post" of how funded the Plan should be. It recognizes future compensation increases and is a measure of where the level of assets should be to date if all participants are proportionately funded over their individual careers as a level percentage of each participant's compensation:

	01/01/2011	01/01/2012
ACTUARIAL VALUE OF ASSETS	\$ 567,255,000	\$ 554,594,000
ENTRY AGE NORMAL ACCRUED LIABILITY	\$ 674,192,748	\$ 665,092,458
Funded Ratio	84.1%	83.4%

## General Employees' Pension Plan for the City of Tampa

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### Development of Normal Cost for State Minimum Required Contribution

January 1, 2012

	<u>1/1/2011</u>	<u>1/1/2012</u>
1. Number of Participants		
Active	2,454	2,430
Terminated with Vested Benefits	453	459
Retirees and Beneficiaries including DROP	1,991	1,969
Disabled	71	71
Total	4,969	4,929
2. Participants' Expected Calendar Compensation		
a. Under Maximum Assumed Retirement Age	\$ 131,047,239	\$ 129,571,546
b. Beyond Maximum Assumed Retirement Age	539,269	611,040
c. Total	\$ 131,586,508	\$ 130,182,586
3. Present Value of Benefits		
Active	\$ 300,062,055	\$ 287,743,375
Terminated with Vested Benefits	24,591,179	23,799,522
Retirees and Beneficiaries including DROP	424,808,439	428,400,863
Disabled	8,638,849	8,383,617
Total	\$ 758,100,522	\$ 748,327,377
4. Unfunded Actuarial Accrued Liability	\$ 8,605,809	\$ 8,084,320
5. Actuarial Value of Assets	\$ 567,255,000	\$ 554,594,000
6. Past Excess Contributions Account	\$ 1,067,970	\$ 1,108,984
7. Present Value of Future Employee Contributions	\$ 1,358,443	\$ 805,056
8. Present Value of Future City Normal Costs = (3) – (4) – [(5) – (6)] – (7)	\$ 181,949,240	\$ 185,952,985
9. Present Value of Future Compensation	\$ 1,394,134,273	\$ 1,375,907,774
10. Normal Cost Rate = (8) ÷ (9) x 1.03923	13.56%	14.05%
11. Projected Participants' Compensation for the Upcoming Plan Year = (2a) x 1.04	\$ 136,289,128	\$ 134,754,408
12. City Normal Cost, Payable Quarterly = (10) x (11)	\$ 18,480,806	\$ 18,932,994

## General Employees' Pension Plan for the City of Tampa

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### State Minimum Required Contribution

January 1, 2012

	Plan Year Ended		
	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
1. City Normal Cost, Payable Quarterly	\$ 16,541,460	\$ 18,480,806	\$ 18,932,994
2. Amortization of Unfunded Actuarial Accrued Liability, Payable Quarterly	\$ 1,206,211	\$ 1,206,211	\$ 1,206,211
3. Expenses			
Current Year Estimate (Equal to Second Prior Plan Year's Actual Expenses)	\$ 2,741,000	\$ 2,729,000	\$ 3,093,000
Make-up for Shortfall in Second Prior Year's Estimate	<u>661,000</u>	<u>1,389,000</u>	<u>352,000</u>
Total	\$ 3,402,000	\$ 4,118,000	\$ 3,445,000
4. Change in Past Excess Contributions Account from Third to Second Prior Plan Year plus Interest	\$ 92,268	\$ 1,092,752	\$ (48,909)
5. Minimum Required Contribution by City for Fiscal Year = (1) + (2) + (3) - (4), not less than \$0	\$ 21,057,403	\$ 22,712,265	\$ 23,633,114
6. Percent of Participants' Projected Compensation*	13.6%	16.7%	17.5%

\* Under a new state interpretation, the actual required contribution is based on this percentage of actual, not projected, Participants' Compensation Under Maximum Assumed Retirement Age.

## General Employees' Pension Plan for the City of Tampa

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### Unfunded Frozen Initial and Supplemental Liabilities

	January 1, 2012					
	Initial Amount to be Amortized	Beginning Amortization Period	Original Amortization Period (Years)	Years Remaining	Plan Year Beginning Annual Amortization Amount	Unamortized Balance as of 1/1/2012
Benefit Improvement*	\$ 577,178	10/1/2004	15.0000	7.7500	\$ 66,146	\$ 406,420
Benefit Improvement**	4,908,273	10/1/2005	17.1526	10.1526	525,506	4,058,432
Benefit Improvement***	5,365,251	10/1/2006	17.5000	11.5000	569,025	4,707,319
					\$ 1,160,677	
						1. Unamortized Balance as of 01/1/2012 \$ 9,172,171
						2. Past Excess Contributions 1,087,851
						3. Remaining Unfunded Liabilities = (1) - (2) \$ 8,084,320

\* Decreased vesting requirements for Division B participants from 10 years to 6 years and increased the cost-of-living adjustment from 2% to 2.2% for Division A participants and from 1% to 1.2% for Division B participants.

\*\* Increased benefit multiplier for Division B participants from 1.10% to 1.15%

\*\*\* Increased benefit multiplier for Division B participants from 1.15% to 1.20%

# General Employees' Pension Plan for the City of Tampa

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## Schedule Illustrating the Amortization of Unfunded Liabilities Existing This Date

January 1, 2012

### Projected Unfunded Actuarial Accrued Liability

January 1	Liability
2012	\$ 8,084,320
2013	\$ 7,477,534
2014	\$ 6,822,206
2015	\$ 6,114,452
2020	\$ 1,637,774
2023	\$ 15,720
2024	\$ -

The first figure is the Unfunded Frozen Initial Liability as of the current valuation date. For each year thereafter, the preceding year's Unfunded Liability is reduced by the annual amortization amounts shown on the page titled Unfunded Frozen Initial and Supplemental Liabilities, and increased with interest at 8% per annum. The annual amortization amount is adjusted, however, for the methodology whereby payments are made for the plan year beginning nine months after the valuation date.

## General Employees' Pension Plan for the City of Tampa

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### Past Excess Contributions (State Requirements)

January 1, 2012

	Plan Year Ended	
	<u>9/30/2010</u>	<u>9/30/2011</u>
<b>Charges:</b>		
Deficiency Brought Forward	\$ -	\$ -
Normal Cost (Payable Quarterly)	N/A	N/A
Expenses (Estimated and Make up)	N/A	N/A
Amortization of Frozen Initial and Supplemental Liabilities	N/A	N/A
Required City Contribution, per State*	19,489,124	18,343,173
Interest	<u>764,558</u>	<u>719,603</u>
Total Charges	\$ 20,253,682	\$ 19,062,776
<b>Credits:</b>		
Excess Contribution Brought Forward	\$ 68,524	\$ 1,047,618
City Contributions	20,529,000	18,418,000
Interest	<u>703,776</u>	<u>685,009</u>
Total Credits	\$ 21,301,300	\$ 20,150,627
<b>Balance:</b>		
Excess Contribution Carried Forward	<u>\$ 1,047,618</u>	<u>\$ 1,087,851</u>
Deficiency Carried Forward	<u>\$ -</u>	<u>\$ -</u>
<b>Projection to Next Valuation Date:</b>		
Balance as of 09/30	\$ 1,047,618	\$ 1,087,851
Interest on Balance for One Quarter	<u>\$ 20,352</u>	<u>\$ 21,133</u>
Balance as of 12/31	<u>\$ 1,067,970</u>	<u>\$ 1,108,984</u>

\*Under a new state interpretation, the actual required contribution is based on the required contribution rate times actual Participants' Compensation Under Maximum Assumed Retirement Age for the Plan Year. See the "State Required Exhibit" for this determination.

# General Employees' Pension Plan for the City of Tampa

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## Market Value of Assets (000's)

January 1, 2012

	<u>1/1/2011</u>	<u>1/1/2012</u>
<b>Assets:</b>		
Cash	\$ -	\$ -
Interest and Dividends Receivable	1,326	1,598
Debt and Other Interest Bearing Investments	154,711	168,695
Equity Securities	377,456	329,848
Real Estate Investments	26,226	30,823
Accounts Receivable	359	-
Employer Contribution Receivable*	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 560,078</u>	<u>\$ 530,964</u>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 2,295	\$ 1,262
Accrued Liabilities	-	-
	<hr/>	<hr/>
Total Liabilities	\$ 2,295	\$ 1,262
<b>Fund Balances:</b>		
Reserve for DROP	\$ 13,311	\$ 14,668
Reserve for Other Retirement Benefits	496,247	513,772
	<hr/>	<hr/>
Total Fund Balances	\$ 557,783	\$ 529,702
Total Liabilities and Fund Balances:	<u>\$ 560,078</u>	<u>\$ 530,964</u>

\* This amount may be accrued so that the total contribution recognized for the quarter ended December 31 is at least one-fourth of an estimate of the required contribution for the Plan Year of which it is the first quarter.

# General Employees' Pension Plan for the City of Tampa

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## Statement of Changes in Net Assets (000's)

January 1, 2012

	Total Reserves	
	Actuarial Value	Market Value
<b>Net Assets as of 12/31/2010</b>	\$ 581,136	\$ 557,783
 <b>Contributions and Disbursements:</b>		
City Contributions	\$ 18,562	\$ 18,562
Employee Contributions	208	208
Pension Payments	(37,094)	(37,094)
Contribution Refunds	-	-
Expenses	(3,088)	(3,088)
	\$ (21,412)	\$ (21,412)
 <b>Investment Return:</b>		
Interest & Dividends	\$ 9,107	\$ 9,107
Net Increase (Decrease) in Value of Investments	1,558	(15,776)
	\$ 10,665	\$ (6,669)
<b>Net Income:</b>	\$ (10,747)	\$ (28,081)
<b>Net Assets as of 12/31/2011</b>	\$ 570,389	\$ 529,702
Approximate Rate of Return	1.9%	-1.2%

## General Employees' Pension Plan for the City of Tampa

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### Investment Gain/(Loss)

January 1, 2012

	1/1/2012	1/1/2011	1/1/2010	1/1/2009
1. Date of Actuarial Value of Assets:	1/1/2012	1/1/2011	1/1/2010	1/1/2009
2. Market Value as of Prior Year (including receivable contributions)	\$ 557,783	\$ 509,558	\$ 433,211	\$ 621,314
3. Receivable Contribution included above	\$ -	\$ -	\$ -	\$ -
4. Market Value Excluding Receivable (2) - (3)	\$ 557,783	\$ 509,558	\$ 433,211	\$ 621,314
5. Employer & Employee Contributions (made for the year, i.e., excluding the receivable contribution, item (3), but including contributions made after the end of the year with no expected return thereon)	\$ 18,770	\$ 21,018	\$ 14,767	\$ 14,301
6. Benefit Distributions	\$ 37,094	\$ 38,428	\$ 33,705	\$ 32,967
7. Administrative Expenses	\$ 3,088	\$ 2,948	\$ 3,121	\$ 1,641
8. Expected Return %	8.00%	8.00%	8.00%	8.00%
a. Item (4) for 1 year	\$ 44,623	\$ 40,765	\$ 34,657	\$ 49,705
b. Item (3) for partial & (5) for 1/2 year	736	825	579	561
c. Item (6) for 1/2 year	(1,455)	(1,508)	(1,322)	(1,293)
d. Item (7) for 1/2 year	(121)	(116)	(122)	(64)
	\$ 43,783	\$ 39,966	\$ 33,792	\$ 48,909
9. Expected Market Value (2)+(5)-(6)-(7)+(8)	\$ 580,154	\$ 529,166	\$ 444,944	\$ 649,916
10. Actual Market Value this Year (including receivable contributions)	\$ 529,702	\$ 557,783	\$ 509,558	\$ 433,211
11. Investment Gain/(Loss) from Experience	\$ (50,452)	\$ 28,617	\$ 64,614	\$ (216,705)

# General Employees' Pension Plan for the City of Tampa

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## Actuarial Value of Assets

January 1, 2012

5 -YEAR SMOOTHED MARKET VALUE WITHOUT PHASE-IN	1/1/2012
1. Market Value of Assets	\$ 529,702
2. Investment Gains/(Losses) for Four Prior Years	
a. Jan-11	\$ (50,452)
b. Jan-10	28,617
c. Jan-09	64,614
d. Jan-08	(216,705)
3. Unrecognized Investment Gains/(Losses)	
a. Jan-11 80% of (2)(a)	\$ (40,362)
b. Jan-10 60% of (2)(b)	17,170
c. Jan-09 40% of (2)(c)	25,846
d. Jan-08 20% of (2)(d)	<u>(43,341)</u>
e. Total: (a)+(b)+(c)+(d)	\$ (40,687)
4. Preliminary Actuarial Value of Assets = (1) - (3)(e)	\$ 570,389
5. Adjustment to be within 20% of market value	\$ -
6. Actuarial Value of Assets = (4) + (5)	\$ 570,389

# General Employees' Pension Plan for the City of Tampa

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## Allocation of Actuarial Value of Assets to the Reserve for Other Retirement Benefits (i.e., Excluding DROP)

January 1, 2012

	<u>Actuarial Value Allocated in Proportion to Market Value</u>	<u>Market Value</u>
Reserve for DROP	\$ 15,795	\$ 14,668
Reserve for Other Retirement Benefits	<u>554,594</u>	<u>515,034</u>
Total Fund Balances	\$ 570,389	\$ 529,702

# General Employees' Pension Plan for the City of Tampa

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## Funded Status – Accrued Benefits (ASC 960)

January 1, 2012

Generally the best measures of the Funded Status of a defined benefit plan are considered to be the levels of funding of the Actuarial Present Values of Accumulated Plan Benefits and Vested Benefits. Accumulated Plan Benefits are those future benefit payments that are attributable under the plan's provisions to employees' service rendered prior to the valuation date. Accumulated Plan Benefits are based on employees' actual pay histories, or estimates thereof; possible future salary increases or changes in Social Security levels are not recognized. Vested Benefits are those benefits which are nonforfeitable under the plan's vesting provisions.

The Actuarial Present Value of Accumulated Plan Benefits is the amount resulting from the application of actuarial assumptions to the Accumulated Plan Benefits to reflect the time value of money and the probabilities of death, disability, withdrawal and retirement. Underlying these assumptions (described on the Actuarial Basis page) is an assumption of an ongoing plan. Since most Accumulated Plan Benefits are generally synonymous with "Accrued Benefits" as defined in the plan, the Actuarial Present Value of Accumulated Plan Benefits has also been called the Present Value of Accrued Benefits.

	<u>1/1/2011</u>	<u>1/1/2012</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS*</b>	\$ 567,255,000	\$ 554,594,000
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
Vested Benefits		
Participants Currently Receiving Payments	\$ 433,447,288	\$ 436,784,480
All Other Participants	<u>141,495,020</u>	<u>133,870,748</u>
<b>TOTAL VESTED BENEFITS</b>	<b>\$ 574,942,308</b>	<b>\$ 570,655,228</b>
Percent Funded	98.7%	97.2%
<b>NONVESTED BENEFITS</b>	4,766,556	4,511,820
<b>TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>	<b><u>\$ 579,708,864</u></b>	<b><u>\$ 575,167,048</u></b>
Percent Funded	97.9%	96.4%

\* Actuarial Value of Assets

## General Employees' Pension Plan for the City of Tampa

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Funded Status – Accrued Benefits (ASC 960) (Continued)

January 1, 2012

	<u>1/1/2011</u>	<u>1/1/2012</u>
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF PRIOR VALUATION DATE</b>	\$ 540,553,172	\$ 579,708,864
Increase (Decrease) During the Year Attributable to:		
Increase for Interest Due to the Decrease in the Discount Period	\$ 41,707,134	\$ 44,892,949
Benefits Paid	(38,428,000)	(37,094,000)
Benefits Accumulated, Turnover, Other Experience	35,876,558	5,437,827
Correction of Data Input	-	(17,778,592)
Change in Actuarial Assumptions	-	-
Plan Amendment	-	-
Net Increase (Decrease)	\$ 39,155,692	\$ (4,541,816)
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF CURRENT VALUATION DATE</b>	\$ 579,708,864	\$ 575,167,048

**General Employees' Pension Plan  
for the City of Tampa**

**Funding Status and Progress Under  
Governmental Accounting Standards Board Statement #25 (GASB 25)**

January 1, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Present Value of Future Benefits	Present Value of Future Employee Contributions	Present Value of Future City Normal Costs	Actuarial Accrued Liability b4*	Unfunded Actuarial Accrued Liability (b4) - a*	Funded Ratio a/(b4)	Covered Payroll c	Unfunded as a Percent of Covered Payroll ((b4)-a)/c
	a	b1	b2	b3	b4*	(b4) - a*			
10/1/1992	\$ 225,956,080	\$ 298,207,055	\$ 23,537,043	\$ 32,222,012	\$ 242,448,000	\$ 16,491,920	93.2%	\$ 76,041,145	21.7%
10/1/1993	245,485,419	317,699,224	23,590,780	32,309,946	261,798,498	16,313,079	93.8%	81,118,034	20.1%
10/1/1994	257,626,161	347,484,778	23,390,859	36,550,741	287,543,178	29,917,017	89.6%	86,884,363	34.4%
10/1/1995	286,641,957	331,555,395	20,980,201	16,537,371	294,037,823	7,395,866	97.5%	90,227,458	8.2%
10/1/1996	336,863,410	353,504,088	20,551,833	0	332,952,255	-3,911,155	101.2%	93,401,488	(4.2%)
10/1/1997	403,815,271	368,963,172	19,601,936	0	349,361,236	-54,454,035	115.6%	97,322,175	(56.0%)
10/1/1998	412,365,783	384,925,078	18,577,327	0	366,347,751	-46,018,032	112.6%	100,965,022	(45.6%)
10/1/1999	467,501,887	449,177,030	13,994,576	0	435,182,454	-32,319,433	107.4%	107,938,100	(29.9%)
10/1/2000	513,742,756	480,965,319	11,405,655	0	469,559,664	-44,183,092	109.4%	113,174,936	(39.0%)
10/1/2001	481,775,743	492,938,032	10,133,296	1,030,862	481,773,874	-1,869	100.0%	116,850,637	0.0%
1/1/2002	491,298,000	502,926,996	9,887,269	1,743,632	491,296,095	-1,905	100.0%	122,989,704	0.0%
1/1/2003	460,207,000	518,840,794	8,851,979	49,783,326	460,205,489	-1,511	100.0%	128,239,297	0.0%
1/1/2004	473,376,000	551,198,256	7,781,757	69,382,227	474,034,272	658,272	99.9%	135,255,510	0.5%
1/1/2005	481,704,000	586,168,591	6,725,907	92,150,431	487,292,253	5,588,253	98.9%	144,403,555	3.9%
1/1/2006	497,239,000	628,955,386	5,701,121	114,956,303	508,297,962	11,058,962	97.8%	151,126,484	7.3%
1/1/2007	525,100,000	643,361,385	4,662,105	102,466,751	536,232,529	11,132,529	97.9%	154,575,047	7.2%
1/1/2008	577,599,000	678,658,928	3,804,030	86,357,845	588,497,053	10,888,053	98.1%	154,620,192	7.0%
1/1/2009	508,975,000	709,826,243	2,913,704	187,410,417	519,502,122	10,527,122	98.0%	151,000,027	7.0%
1/1/2010	564,143,000	739,684,409	2,300,950	163,280,054	574,103,405	9,960,405	98.3%	149,967,903	6.6%
1/1/2011	567,255,000	758,100,522	1,358,443	181,949,240	574,792,839	7,537,839	98.7%	136,289,128	5.5%
1/1/2012	554,594,000	748,327,377	805,056	185,952,985	561,569,336	6,975,336	98.8%	134,754,408	5.2%

\* Actuarial Accrued Liability equals the excess of the Present Value of Future Benefits (b1) over the sum of the Present Value of Future Employee Contributions (b2) and the Present Value of Future City Normal Cost (b3). Unfunded Actuarial Accrued Liability recognizes Past Excess Contributions.

**General Employees' Pension Plan  
for the City of Tampa**

**Annual Pension Cost and Net Pension Obligation Under  
Governmental Accounting Standards Board Statement #27  
(GASB 27)**

January 1, 2012

	<u>9/30/2011</u>	Plan Year Ended	
		Estimated <u>9/30/2012</u>	Estimated <u>9/30/2013</u>
<b>Annual Required Contribution (ARC):</b>			
1. Normal Cost (as for State Minimum Required Contribution)	N/A	\$ 18,480,806	\$ 18,932,994
2. Net Amortization Charge	N/A	1,206,211	1,206,211
3. Expenses	N/A	4,118,000	3,445,000
4. Minimum Required City Contribution*	\$ 18,343,173	N/A	N/A
5. Change in Past Excess Contributions Account	<u>92,268</u>	<u>N/A</u>	<u>N/A</u>
6. Annual Required Contribution = (1) + (2) + (3) + (4) + (5)	\$ 18,435,441	\$ 23,805,017	\$ 23,584,205
<b>Annual Pension Cost (APC):</b>			
1. Annual Required Contribution	\$ 18,435,441	\$ 23,805,017	\$ 23,584,205
2. Interest on the Net Pension Obligation (Quarterly Payment)	(44,466)	(41,851)	Pending
3. Adjustment to the Annual Required Contribution**	<u>91,172</u>	<u>88,551</u>	<u>Pending</u>
4. Annual Pension Cost = (1) + (2) + (3)	\$ 18,482,147	\$ 23,851,717	Pending
<b>Net Pension Obligation (NPO):</b>			
1. Net Pension Obligation at End of Prior Year	\$ (1,133,470)	\$ (1,066,807)	Pending
2. Annual Pension Cost	\$ 18,482,147	\$ 23,851,717	Pending
3. Actual Employer Contribution	\$ 18,418,000	Pending	Pending
4. Change in Net Pension Obligation = (2) - (3)	\$ 64,147	Pending	Pending
5. Interest on (4) to End of Year	\$ 2,516	Pending	Pending
6. Net Pension Obligation = (1) + (4) + (5)	\$ (1,066,807)	Pending	Pending
<b>Average Remaining Service Life of Active Members</b>			
	12.920	12.520	12.540

\*Under a new state interpretation, the actual required contribution is based on a percentage of actual, not projected, Participants' Compensation Under Maximum Assumed Retirement Age.

\*\*The Net Pension Obligation as of the beginning of the year is amortized as a level dollar amount over the Average Remaining Service Life of Active Members with an adjustment for quarterly payment.

## General Employees' Pension Plan for the City of Tampa

### Schedule of Contributions and Net Pension Obligation (GASB 27)

January 1, 2012

Fiscal Year Ending	Annual Required Cost (ARC)*		City Contributions Made	Percentage of ARC Contributed		Annual Pension Cost (APC) c	Percentage of APC Contributed		Net Pension Obligation
	a	b		b / a	b / c				
9/30/1992	\$ 5,470,846	\$ 5,471,413		100.0%	N/A	N/A	N/A	N/A	N/A
9/30/1993	4,866,096	4,872,255		100.1%	N/A	N/A	N/A	N/A	N/A
9/30/1994	4,928,175	4,936,058		100.2%	N/A	N/A	N/A	N/A	N/A
9/30/1995	6,408,113	6,408,113		100.0%	N/A	N/A	N/A	N/A	N/A
9/30/1996	3,157,691	3,157,691		100.0%	N/A	N/A	N/A	N/A	\$ -
9/30/1997	1,094,111	1,098,067		100.4%	\$ 1,094,111	100.4%	100.4%	(3,956)	
9/30/1998	1,084,360	1,104,767		101.9%	1,085,384	101.8%	101.8%	(23,339)	
9/30/1999	1,287,778	1,282,454		99.6%	1,288,052	99.6%	99.6%	(17,741)	
9/30/2000	1,785,029	1,745,401		97.8%	1,785,175	97.8%	97.8%	22,033	
9/30/2001	1,871,568	1,868,734		99.8%	1,870,807	99.9%	99.9%	24,187	
9/30/2002	1,272,502	1,271,965		100.0%	1,271,674	100.0%	100.0%	23,885	
9/30/2003	1,598,297	1,556,922		97.4%	1,597,474	97.5%	97.5%	66,028	
9/30/2004	6,767,000	6,773,652		100.1%	6,764,713	100.1%	100.1%	56,738	
9/30/2005	8,216,229	8,281,000		100.8%	8,214,223	100.8%	100.8%	(12,659)	
9/30/2006	11,396,961	11,414,000		100.1%	11,397,445	100.1%	100.1%	(29,863)	
9/30/2007	15,110,329	15,058,000		99.7%	15,111,473	99.6%	99.6%	25,708	
9/30/2008	14,207,076	14,202,000		100.0%	14,206,094	100.0%	100.0%	29,963	
9/30/2009	12,064,170	12,138,000		100.6%	12,063,019	100.6%	100.6%	(47,960)	
9/30/2010	** 19,482,521	20,529,000		105.4%	19,484,467	105.4%	105.4%	(1,133,470)	
9/30/2011	18,435,441	18,418,000		99.9%	18,482,147	99.7%	99.7%	(1,066,807)	
9/30/2012	*** 23,805,017	Pending		Pending	23,851,717	Pending	Pending	Pending	
9/30/2013	*** 23,584,205	Pending		Pending	Pending	Pending	Pending	Pending	

\* Does not include credit for Past Excess Contributions

\*\* Revised for new state interpretation for the actual required contribution

\*\*\* Estimated

## General Employees' Pension Plan for the City of Tampa

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### Participant Data Summary

January 1, 2012							
Division A			Terminated				
	Active	DROP	Vested	Disabled	Retired	Beneficiaries	Total
<b>January 1, 2011</b>	<b>60</b>	<b>90</b>	<b>17</b>	<b>37</b>	<b>885</b>	<b>474</b>	<b>1,563</b>
New Entrants							-
Retirements	(3)	(12)	(7)		22		-
Disabilities							-
Terminations							
a) Not vested							-
b) Vested	(1)		1				-
DROP enrollments	(17)	17					-
Deaths	(1)	(2)	-		(74)	(81)	(158)
New Beneficiaries						23	23
Benefits Expired							-
Other			(1)			2	1
<b>January 1, 2012</b>	<b>38</b>	<b>93</b>	<b>10</b>	<b>37</b>	<b>833</b>	<b>418</b>	<b>1,429</b>
<b>Average Age</b>	<b>53.1</b>	<b>59.1</b>	<b>54.1</b>	<b>70.5</b>	<b>73.1</b>	<b>78.3</b>	

#### Active Participants as of January 1, 2011

	Males	Females	Total
Number of Participants	37	23	60
Average Age Nearest Birthday	53.1	53.8	53.4
Average Completed Years of Service	32.9	33.3	33.1
Average Compensation for Prior Year	\$65,432	\$59,554	\$63,179

#### Active Participants as of January 1, 2012

	Males	Females	Total
Number of Participants	25	13	38
Average Age Nearest Birthday	53.2	53.0	53.1
Average Completed Years of Service	33.5	33.9	33.6
Average Compensation for Prior Year	\$62,069	\$52,280	\$58,720

## General Employees' Pension Plan for the City of Tampa

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### Participant Data Summary (Continued)

Division B	January 1, 2012						
	Active	DROP	Terminated Vested	Disabled	Retired	Beneficiaries	Total
<b>January 1, 2011</b>	<b>2,394</b>	<b>83</b>	<b>436</b>	<b>34</b>	<b>390</b>	<b>69</b>	<b>3,406</b>
New Entrants	174						174
Retirements	(37)	(18)	(14)		69		-
Disabilities	(1)		(1)	2			-
Terminations							
a) Not vested	(75)						(75)
b) Vested	(28)		28				-
DROP enrollments	(37)	37					-
Deaths	(2)		(2)	(2)	(13)	(6)	(25)
New Beneficiaries						9	9
Benefits Expired							-
Other	4	(1)	2	-	4	2	11
<b>January 1, 2012</b>	<b>2,392</b>	<b>101</b>	<b>449</b>	<b>34</b>	<b>450</b>	<b>74</b>	<b>3,500</b>
<b>Average Age</b>	<b>46.1</b>	<b>64.2</b>	<b>49.9</b>	<b>56.7</b>	<b>69.3</b>	<b>64.8</b>	

### Active Participants as of January 1, 2011

	Males	Females	Total
Number of Participants	1548	846	2394
Average Age Nearest Birthday	46.8	45.4	46.3
Average Completed Years of Service	13.6	13.6	13.6
Average Compensation for Prior Year	\$51,686	\$47,680	\$50,270

### Active Participants as of January 1, 2012

	Males	Females	Total
Number of Participants	1560	832	2392
Average Age Nearest Birthday	46.4	45.4	46.1
Average Completed Years of Service	13.6	13.7	13.6
Average Compensation for Prior Year	\$48,047	\$44,128	\$46,684

## General Employees' Pension Plan for the City of Tampa

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### Participant Data Summary (Continued)

Total	January 1, 2012						
	Active	DROP	Terminated		Retired	Beneficiaries	Total
			Vested	Disabled			
<b>January 1, 2011</b>	<b>2,454</b>	<b>173</b>	<b>453</b>	<b>71</b>	<b>1,275</b>	<b>543</b>	<b>4,969</b>
New Entrants	174	-	-	-	-	-	174
Retirements	(40)	(30)	(21)	-	91	-	-
Disabilities	(1)	-	(1)	2	-	-	-
Terminations							
a) Not vested	(75)	-	-	-	-	-	(75)
b) Vested	(29)	-	29	-	-	-	-
DROP enrollments	(54)	54	-	-	-	-	-
Deaths	(3)	(2)	(2)	(2)	(87)	(87)	(183)
New Beneficiaries	-	-	-	-	-	32	32
Benefits Expired	-	-	-	-	-	-	-
Other	4	(1)	1	-	4	4	12
<b>January 1, 2012</b>	<b>2,430</b>	<b>194</b>	<b>459</b>	<b>71</b>	<b>1,283</b>	<b>492</b>	<b>4,929</b>
<b>Average Age</b>	<b>46.2</b>	<b>61.8</b>	<b>50.0</b>	<b>63.9</b>	<b>71.8</b>	<b>76.3</b>	

### Active Participants as of January 1, 2011

	Males	Females	Total
Number of Participants	1585	869	2454
Average Age Nearest Birthday	46.9	45.6	46.5
Average Completed Years of Service	14.1	14.1	14.1
Average Compensation for Prior Year	\$52,007	\$47,994	\$50,586

### Active Participants as of January 1, 2012

	Males	Females	Total
Number of Participants	1585	845	2430
Average Age Nearest Birthday	46.5	45.5	46.2
Average Completed Years of Service	13.9	14.0	13.9
Average Compensation for Prior Year	\$48,268	\$44,253	\$46,872

# General Employees' Pension Plan for the City of Tampa

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## Age and Service Distribution

January 1, 2012

Division A Males

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
Under 25	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	2	2
50-54	0	0	0	0	0	0	21	21
55-59	0	0	0	0	0	0	2	2
60-64	0	0	0	0	0	0	0	0
65 and over	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0	25	25

## General Employees' Pension Plan for the City of Tampa

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### Age and Service Distribution (Continued)

January 1, 2012

#### Division A Females

Age	Years of Service						Total
	0-4	5-9	10-14	15-19	20-24	25-29	
Under 25	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	12
55-59	0	0	0	0	0	0	1
60-64	0	0	0	0	0	0	0
65 and over	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0	13

## General Employees' Pension Plan for the City of Tampa

### Age and Service Distribution (Continued)

January 1, 2012

#### Division B Males

Age	Years of Service						Total
	0-4	5-9	10-14	15-19	20-24	25-29	
Under 25	43	13	0	0	0	0	56
25-29	39	43	7	0	0	0	89
30-34	46	39	21	9	0	0	115
35-39	43	49	23	25	7	0	147
40-44	37	63	55	36	31	11	233
45-49	39	61	43	31	45	57	289
50-54	28	42	45	36	41	53	260
55-59	23	31	35	35	32	53	231
60-64	17	19	13	18	18	18	113
65 and over	1	9	6	2	3	4	27
<b>Total</b>	<b>316</b>	<b>369</b>	<b>248</b>	<b>192</b>	<b>177</b>	<b>196</b>	<b>1560</b>

## General Employees' Pension Plan for the City of Tampa

### Age and Service Distribution (Continued)

January 1, 2012

#### Division B Females

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
Under 25	25	12	0	0	0	0	0	37
25-29	27	25	1	0	0	0	0	53
30-34	26	22	9	3	0	0	0	60
35-39	25	27	19	8	7	0	0	86
40-44	17	29	22	23	20	4	0	115
45-49	20	35	31	17	30	48	2	183
50-54	16	19	17	13	20	37	15	137
55-59	15	18	14	7	18	21	15	108
60-64	5	15	6	2	5	7	3	43
65 and over	1	0	2	3	0	1	3	10
<b>Total</b>	<b>177</b>	<b>202</b>	<b>121</b>	<b>76</b>	<b>100</b>	<b>118</b>	<b>38</b>	<b>832</b>

# General Employees' Pension Plan for the City of Tampa

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## Comparison of Actual vs. Assumed Salary Increases and Investment Returns

January 1, 2012

### Actual Salary Increases

Year Ended			
	September 30, 1989	8.3%	
	September 30, 1990	9.0%	
	September 30, 1991	5.8% *	
	September 30, 1992	7.4%	
	September 30, 1993	8.5%	
	September 30, 1994	8.1%	
	September 30, 1995	4.6%	
	September 30, 1996	5.6%	
	September 30, 1997	5.5%	
	September 30, 1998	5.9%	
	September 30, 1999	6.6%	
	September 30, 2000	8.2%	
	September 30, 2001	4.7%	
	December 31, 2001	1.2%	(For One Quarter)
	December 31, 2002	4.5%	
	December 31, 2003	6.0%	
	December 31, 2004	7.9%	
	December 31, 2005	4.2%	
	December 31, 2006	5.7%	
	December 31, 2007	4.7%	
	December 31, 2008	3.1%	
	December 31, 2009	5.3%	
	December 31, 2010	-1.0%	
	December 31, 2011	0.7%	
	Last 5 Years, Compounded	2.5%	

Each figure is the rate of increase in the average compensation from the prior year ("weighted" by each individual participant's compensation), as reported for the actuarial valuations. The average includes only continuing active employees who have a full year of compensation in both the current and prior years, based on their reported dates of employment. Prior to September 30, 2000, employees with less than a full year of compensation in the prior year were also included by annualizing their compensation on a pro rata basis.

\* Comparability of the September 30, 1991, results with those of prior years is affected by a data change deemed to make the salary experience results more accurate (see Discussion of Results, October 1, 1991, Actuarial Valuation).

### Assumed Salary Increases

The assumed salary increase is 6.0% per year. (Prior to the October 1, 1996 valuation, the salary scale assumption was 7.0% per year.)

## General Employees' Pension Plan for the City of Tampa

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### Comparison of Actual vs. Assumed Salary Increases and Investment Returns (Continued)

January 1, 2012

#### Actual Investment Return

<b>Year Ended</b>	September 30, 1989	15.3%	
	September 30, 1990	7.2%	
	September 30, 1991	8.3%	
	September 30, 1992	9.6%	
	September 30, 1993	10.6%	
	September 30, 1994	7.0%	
	September 30, 1995	13.0%	
	September 30, 1996	20.7%	
	September 30, 1997	23.6%	
	September 30, 1998	5.2%	
	September 30, 1999	16.8%	
	September 30, 2000	13.4%	
	September 30, 2001	(3.0%)	
	December 31, 2001	3.0%	(For One Quarter)
	December 31, 2002	(2.1%)	
	December 31, 2003	7.3%	
	December 31, 2004	5.4%	
	December 31, 2005	6.8%	
	December 31, 2006	9.6%	
	December 31, 2007	13.4%	
	December 31, 2008	(8.9%)	
	December 31, 2009	16.0%	
	December 31, 2010	3.9%	
	December 31, 2011	1.9%	
	<b>Last 5 Years, Compounded</b>	<b>4.9%</b>	

These figures are approximate time-weighted rates of return on the actuarial value of assets for the particular year. Income includes dividends, interest and realized and unrealized gains (losses). The time-weighted rates reflect estimated transaction dates for income, employer and employee contributions, expenses, and disbursements.

#### Assumed Investment Return

The assumed rate of investment return is 8.0% per year. (Prior to the October 1, 1996 valuation, benefits in pay status as of October 1, 1984, were valued assuming 10.5% per year to reflect the dedicated bond portfolio. See those reports for the weighted average assumption.)

# General Employees' Pension Plan for the City of Tampa

## State Required Exhibit

January 1, 2012

	1/1/2011	1/1/2011	1/1/2011	1/1/2011	1/1/2012	1/1/2012	1/1/2012
	Division A	Division B	Total	Division A	Division B	Total	
<b>A. Participant Data</b>							
Number Included							
Active Members	60	2394	2454	38	2392	2430	
Retired Members, Beneficiaries and DROP	1449	542	1991	1344	625	1969	
Disabled Members	37	34	71	37	34	71	
Terminated members with Vested Benefits	17	436	453	10	449	459	
	1563	3406	4969	1429	3500	4929	

Total Annual Payroll of Active Members Included  
(Under Maximum Assumed Retirement Age,  
Projected for Upcoming Plan Year)

\$ 4,178,906 \$ 132,110,222 \$ 136,289,128 \$ 2,406,791 \$ 132,347,617 \$ 134,754,408

Total Annual Payment of Benefits to Retired  
Members, Beneficiaries and DROP

\$ 32,649,303 \$ 6,798,702 \$ 39,448,005 \$ 33,061,581 \$ 6,320,104 \$ 39,381,685

Total Annual Payment of Benefits to Disabled  
Members

\$ 646,803 \$ 315,708 \$ 962,511 \$ 661,032 \$ 321,324 \$ 982,356

Total Annual Payment of Benefits at Retirement to  
Terminated Vested Members

\$ 487,898 \$ 3,502,922 \$ 3,990,820 \$ 263,629 \$ 3,765,271 \$ 4,028,900

Active Employee Contributions to Date  
(No Interest is Credited)

\$ 4,861,859 \$ 69,595 \$ 4,931,454 \$ 2,951,294 \$ - \$ 2,951,294

## General Employees' Pension Plan for the City of Tampa

### State Required Exhibit (Continued)

	1/1/2011		1/1/2011		1/1/2012		1/1/2012	
	Division A	Division B	Total	Total	Division A	Division B	Division B	Total
<b>B. Assets</b>								
Actuarial Value	N/A	N/A	\$ 567,255,000		N/A	N/A	N/A	\$ 554,594,000
Market Value	N/A	N/A	\$ 544,460,000		N/A	N/A	N/A	\$ 515,034,000
<b>C. Liabilities</b>								
Present Value of Future Expected Benefits								
Actives								
Retirement	\$ 27,405,282	\$ 229,517,002	\$ 256,922,284		\$ 15,811,757	\$ 230,137,392	\$	\$ 245,949,149
Vesting	621,541	8,853,828	9,475,369		385,544	8,565,951		8,951,495
Disability	1,136,742	23,874,817	25,011,559		676,281	23,772,619		24,448,900
Death	252,597	8,400,246	8,652,843		150,174	8,243,657		8,393,831
Return of Employee Contributions	*	*	*		*	*		*
Total	\$ 29,416,162	\$ 270,645,893	\$ 300,062,055		\$ 17,023,756	\$ 270,719,619	\$	\$ 287,743,375
Retired & Disabled Members / Beneficiaries								
Terminated Vested Members	\$ 359,408,828	\$ 74,038,460	\$ 433,447,288		\$ 368,238,187	\$ 68,546,293	\$	\$ 436,784,480
	5,828,580	18,762,599	24,591,179		2,870,041	20,929,481		23,799,522
Total	\$ 394,653,570	\$ 363,446,952	\$ 758,100,522		\$ 388,131,984	\$ 360,195,393	\$	\$ 748,327,377
Liabilities Due and Unpaid								
Entry Age Normal Accrued Liability	\$ -	\$ -	\$ -		\$ -	\$ -	\$	\$ -
Unfunded Entry Age Normal Accrued Liability	\$ 392,867,644	\$ 281,325,104	\$ 674,192,748		\$ 387,109,306	\$ 277,983,152	\$	\$ 665,092,458
Liabilities at FRS Discount Rate	N/A	N/A	106,937,748		N/A	N/A	\$	\$ 110,498,458
Discount Rate	N/A	N/A	N/A		N/A	N/A		7.75%
Entry Age Normal Accrued Liability	N/A	N/A	N/A		N/A	N/A	\$	\$ 683,367,179
Unfunded Entry Age Normal Accrued Liability	N/A	N/A	N/A		N/A	N/A	\$	\$ 128,773,179

\* Included in above benefits where applicable

## General Employees' Pension Plan for the City of Tampa

### State Required Exhibit (Continued)

#### D. GASB 25 - Funding Progress

	1/1/2011	1/1/2011	1/1/2011	1/1/2011	1/1/2011	1/1/2012	1/1/2012	1/1/2012
	Division A	Division B	Total	Division A	Division B	Division A	Division B	Total
1. Actuarial Present Value of Future Benefits	\$ 394,653,570	\$ 363,446,952	\$ 758,100,522	\$ 388,131,984	\$ 360,195,393	\$ 748,327,377		
2. Present Value of Future Employee Contributions	1,358,443	-	1,358,443	805,056	-	805,056		
3. Present Value of Future City Normal Costs	N/A	N/A	181,949,240	N/A	N/A	185,952,985		
4. Actuarial Accrued Liability = (1) - (2) - (3)	N/A	N/A	574,792,839	N/A	N/A	561,569,336		
5. Actuarial Value of Assets	N/A	N/A	567,255,000	N/A	N/A	554,594,000		
6. Unfunded Actuarial Accrued Liability = (4) - (5)	N/A	N/A	7,537,839	N/A	N/A	6,975,336		
7. Funded Ratio = (5) / (4)	N/A	N/A	98.7%	N/A	N/A	98.8%		
8. Unfunded as a Percent of Covered Payroll	N/A	N/A	5.5%	N/A	N/A	5.2%		

#### E. GASB 27 - Net Pension Obligation and Annual Pension Cost

	Revised	Plan Year Ended	Estimated
	9/30/2010	9/30/2011	9/30/2012
Net Pension Obligation			
1. Net Pension Obligation at End of Prior Year	\$ (47,960)	\$ (1,133,470)	\$ (1,066,807)
2. Annual Pension Cost	19,484,467	18,482,147	23,851,717
3. Actual Employer Contribution	20,529,000	18,418,000	Pending
4. Interest on (2) - (3)	(40,977)	2,516	Pending
Net Pension Obligation = (1) + (2) - (3) + (4)	\$ (1,133,470)	\$ (1,066,807)	Pending
Annual Pension Cost			
1. Annual Required Contribution	\$ 18,435,441	\$ 23,805,017	\$ 23,584,205
2. Interest on Net Pension Obligation	(44,466)	(41,851)	Pending
3. Adjustment to the Annual Required Contribution*	91,172	88,551	Pending
Annual Pension Cost = (1) + (2) + (3)	\$ 18,482,147	\$ 23,851,717	Pending

\* The Net Pension Obligation as of the beginning of the year is amortized as a level dollar amount over the Average Remaining Service Life of Active Members with an adjustment for quarterly payment

# General Employees' Pension Plan for the City of Tampa

## State Required Exhibit (Continued)

	9/30/2011 Division A	9/30/2011 Division B	9/30/2011 Total	9/30/2012 Division A	9/30/2012 Division B	9/30/2012 Total
<b>F. Statement of Required Contributions for Year Ended</b>						
Projected Compensation for Year Ended	\$ 7,110,360	\$ 142,857,543	\$ 149,967,903	\$ 4,178,906	\$ 132,110,222	\$ 136,289,128
Minimum Required City Contribution						
i. Estimated Dollars, from Actuarial Valuation	N/A	N/A	\$ 21,057,403	N/A	N/A	\$ 22,712,265
ii. Percentage of Participants' Compensation			14.0%			16.7%
iii. Actual Compensation Under MRA for Plan Year			\$ 131,022,666 *			Pending
iv. Required, per new state interpretation = (ii.) x (iii)			\$ 18,343,173			Pending
Expected Member Contributions**	\$ 497,725	\$ -	\$ 497,725	\$ 292,523	\$ -	\$ 292,523
% of Expected Payroll	7.0%	0.0%	0.3%	7.0%	0.0%	0.2%
Actual City Contribution	N/A	N/A	\$ 18,418,000	N/A	N/A	Pending
% of Expected Payroll			12.3%			Pending
Actual Member Contributions	\$ 244,000	\$ -	\$ 244,000	\$ Pending	\$ -	\$ Pending
% of Expected Payroll	3.4%	0.0%	0.2%	Pending	0.0%	Pending
<b>G. Net Actuarial Gain (Loss)</b>	1/1/2011	1/1/2011	1/1/2011	1/1/2012	1/1/2012	1/1/2012
	N/A	N/A	N/A	N/A	N/A	N/A
<b>H. Other Disclosures</b>						
Present Value of Active Members						
Future Salaries at Attained Age***	\$ 23,740,066	\$ 1,370,394,207	\$ 1,394,134,273	\$ 14,014,300	\$ 1,361,893,474	\$ 1,375,907,774
Future Employee Contributions***	\$ 1,358,443	\$ -	\$ 1,358,443	\$ 805,056	\$ -	\$ 805,056

\* Used actual compensation for all Members except over MRA

\*\* Determined by applying the required contribution rate (7%) to expected compensation for Division A members under the Maximum Assumed Retirement Age.

\*\*\* Members under the Maximum Assumed Retirement Age (MRA)

# General Employees' Pension Plan for the City of Tampa

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## Retirement Experience Study

January 1, 2011 – January 1, 2012

Division A	Eligible for	Non-DROP	DROP	Total	Retirement
Attained Age	Retirement	Retirements	Retirements	Retirements	Experience
54	0.00	0	0	0	0.00%
55	16.71	1	15	16	95.75%
56	1.29	1	0	1	77.52%
57	0.48	0	0	0	0.00%
58	1.03	0	0	0	0.00%
59	0.49	0	0	0	0.00%
60	0.00	0	0	0	0.00%
61	1.00	0	1	1	100.00%
62	1.00	1	0	1	100.00%
63	0.00	0	0	0	0.00%
64	0.00	0	0	0	0.00%
65	0.00	0	0	0	0.00%
66	0.00	0	0	0	0.00%
67	1.00	0	1	1	100.00%
68	0.00	0	0	0	0.00%
69	0.00	0	0	0	0.00%
70+	0.00	0	0	0	0.00%
		3	17	20	

Division B	Eligible for	Non-DROP	DROP	Total	Retirement
Attained Age	Retirement	Retirements	Retirements	Retirements	Experience
54	0.00	0	0	0	0.00%
55	68.60	2	1	3	4.37%
56	44.66	0	0	0	0.00%
57	59.83	0	1	1	1.67%
58	52.63	1	1	2	3.80%
59	53.30	4	1	5	9.38%
60	43.47	0	3	3	6.90%
61	30.11	2	3	5	16.61%
62	40.86	5	19	24	58.74%
63	20.30	5	3	8	39.41%
64	17.83	5	1	6	33.65%
65	10.79	4	0	4	37.07%
66	4.74	2	0	2	42.19%
67	8.43	3	1	4	47.45%
68	3.48	0	2	2	57.47%
69	4.28	2	0	2	46.73%
70+	10.45	2	1	3	28.71%
		37	37	74	

Note: Eligible for Retirement indicates the number of "exposed life-years". One member eligible for the entire plan year constitutes one life-year of exposure. Study excludes disability retirements.

# General Employees' Pension Plan for the City of Tampa

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## Reconciliation of DROP Participants and Assets

January 1, 2012

	DROP	
	Division A	Division B
Participants as of 1/1/2011	90	83
New DROP Members	17	37
New DROP's, Withdrew during Year	0	0
All Other Withdrawals	(14)	(18)
Corrections	0	(1)
Participants as of 1/1/2012	93	101

	Total
Assets as of 1/1/2011	\$13,323,142.78
Payments into DROP	5,451,811.26
Earnings	(185,467.15)
Distributions	(3,918,600.38)
Expenses	(2,925.00)
Adjustments	0.00
Assets as of 1/1/2012	\$14,667,961.51

# General Employees' Pension Plan For the City of Tampa

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## Summary of Major Plan Provisions

January 1, 2012

**Effective Date:** Created as Chapter 23559, Laws of Florida of 1945. Restated in its present form as of October 1, 1981. Summary includes all amendments through Chapter 2004-431, Special Act of 2004. Summary also includes the amendment passed by the 2005 Florida Legislature, which became effective October 1, 2005, the amendment passed by the 2006 Florida Legislature, which became effective October 1, 2006, and the amendment passed by the 2011 Florida Legislature, which became effective October 1, 2011.

**Plan Year:** October 1 to September 30.

**Eligibility:** All permanent employees including elective officers, department heads, and appointive officers, who are not covered by another pension plan. Those hired before October 1, 1981, shall be in Division A. Those hired on or after October 1, 1981, and those Division A employees who elect to change, shall be in Division B.

**Current Employee Contributions:** Division A: 7.00% of Compensation. Division B: None after October 1, 1981.

**Compensation:** Wages and salaries earned by an employee including regular longevity bonuses, overtime and shift premiums, but excluding other premiums, allowances, special payments or any casual nonrecurring or unpredictable bonuses; payments for unused accrued bona fide sick, vacation, or other leave; payments received by an employee pursuant to a nonqualified unfunded deferred salary or wages plan; and severance pay that is paid after an employee severs employment with the City. However, salaries or wages earned but not paid to the employee by the employee's severance date with the City shall be considered Compensation for Plan purposes. Compensation shall also include elective amounts that are excludible from the employee's gross income under Sections 125 (including amounts that are not available to the employee in cash in lieu of group health coverage because the employee is unable to certify that he or she has other health coverage, but only if the employer does not request or collect information regarding the employee's other health coverage as part of the enrollment for the health plan); 403(b) (tax-sheltered annuity); 457 (Section 457 plan); and 132(f)(4) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. Compensation shall be limited to cap under Section 401(a)(17) if the Code, as adjusted by the IRS for changes in the cost of living.

**Average Monthly Compensation:** The total Compensation received during the 3 years out of the last 6 years of Continuous Service which produces the highest average, divided by 36.

**Accrued Pension:** The amount determined by applying the benefit formula to an employee's Average Monthly Compensation and Service at the date of termination of employment.

**Continuous Service (Service):** Unbroken service by an employee. Temporary interruptions of service caused by military service, illness or involuntary severance through no fault of the employee, provided he is reinstated, shall not be deemed to be breaks in continuous service. Also, certain time spent on authorized leave of absence shall be recognized (subject to payment of employee contributions). Under certain conditions specified in the Plan provisions, a terminated or retired employee who is rehired may have his prior Service reinstated.

# General Employees' Pension Plan For the City of Tampa

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## Retirement and Death Benefits

### (Division A):

- a. **Eligibility (Normal Retirement Date):** Completion of at least 6 years of Service and the attainment of age 55.
- b. **Normal Retirement Benefit:** A monthly pension commencing on or after Normal Retirement Date payable for life equal to 2% of Average Monthly Compensation times years of Service, plus an additional .5% of Average Monthly Compensation times years of Service in excess of 15 years, for years served after January 1, 1975. A maximum of 30 years of Service is recognized.
- c. **Early Retirement Benefit:** None.
- d. **Postretirement Death Benefit:** The spouse of a deceased retired participant shall receive a monthly benefit equal to 75% of the participant's benefit, paid as a Survivor Annuity. Dependent children under 18 of a deceased participant shall receive a benefit of \$100 per month. The total benefit payable to the spouse and children shall not exceed the amount being received by the deceased participant. Orphaned children under 18 shall receive the spouse's benefit. The Survivor Annuity ceases upon death of the spouse or upon marriage or attainment of age 18 by the dependent/orphaned children; it reduces to 50% of the participant's benefit upon remarriage of the spouse. Dependent parents shall receive the spouse's benefit, if there is no spouse or children, until their death. Dependent parents may elect to withdraw employee contributions in a lump sum in lieu of the monthly benefit. (Upon the death of a terminated vested participant, the same Survivor Annuity is payable on or after the date age 55 would have been attained by the participant.) If a retired participant dies and is not survived by a spouse, children, or dependent parents, the excess, if any, of such participant's total contributions without interest over the total benefits received until death shall be paid in a lump sum to the legal heirs.
- e. **Preretirement Death Benefit:** Before completing 6 years of Service, the full amount of the deceased participant's contributions, without interest, shall be paid to the legal heirs. After completing 6 years of Service, the spouse, children, or dependent parents of a participant who dies prior to retiring shall receive the immediate Survivor Annuity described above, payable as of the date of death. However, if the participant is not survived by a spouse, children, or dependent parents, the full amount of contributions, without interest, shall be paid to the legal heirs.
- f. **Cost-of-Living Adjustment:** On January 1, 2005, and each January 1 thereafter, the pension benefit being paid to each retiree or beneficiary (whether attributable to retirement, termination, death or disability benefits) will be increased annually by 2.2%.

### (Division B):

- a. **Eligibility (Normal Retirement Date):** Completion of at least 6 years of Service and the attainment of age 62.
- b. **Normal Retirement Benefit:** A monthly pension commencing on or after Normal Retirement Date payable for life equal to 1.20% of Average Monthly Compensation multiplied by years of Service. (The minimum benefit under Section 8(B)(2) for participants who elected to be in Division B is presumed to be no longer controlling.)
- c. **Early Retirement Benefit:** After the completion of at least 6 years of Service and the attainment of age 55, an active participant may elect to retire and receive a reduced benefit. The reduced benefit is the

## General Employees' Pension Plan For the City of Tampa

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Accrued Pension reduced 5/12 of one percent for each month by which the benefit commencement date precedes the Normal Retirement Date.

- d. **Postretirement Death Benefit:** The spouse of a deceased retired participant shall receive a monthly benefit equal to 50% of the participant's benefit, paid as a Survivor Annuity. (Upon the death of a terminated vested participant, the same Survivor Annuity is payable to the spouse on or after the date age 62 would have been attained by the participant.) No Survivor Annuity is payable unless the spouse and the participant were married on the date of retirement of the Participant. Former Division A participants shall also have a lump sum benefit equal to their contributions, without interest, less benefits paid.
- e. **Preretirement Death Benefit:** Upon the death of an active employee after completing at least 6 years of Service, a lump sum equal to the annual salary is paid to the legal heirs. Also, a surviving spouse shall receive a monthly benefit equal to 50% of the participant's Accrued Pension, payable as of the employee's Normal Retirement Date, or as of his Early Retirement Date with the 5/12 of one percent per month reduction.
- f. **Cost-of-Living Adjustment:** On January 1, 2005, and each January 1 thereafter, the pension benefit being paid to each retiree or beneficiary (whether attributable to retirement, termination, death or disability benefits) will be increased annually by 1.2%.

### **Disability Benefit:**

- a. **Eligibility:** Total and permanent disability after the completion of at least 6 years of Service.
- b. **Disability Benefit:** The participant's Accrued Pension, payable immediately.
- c. **Form of Benefit:** A monthly annuity for the life of the participant, subject to a requirement to resume employment and discontinue the Disability Benefit in the case of recovery. After the participant's death, a Survivor Annuity is provided as described above for the applicable Division A or B benefit, beginning at the date of death.

### **Vested Termination:**

- a. **Eligibility:** Completion of 6 years of Service.
- b. **Termination Benefit:** The participant's Accrued Pension payable as of his Normal Retirement Date, provided Employee Contributions are not refunded. No Early Retirement Benefit is available.
- c. **Form of Benefit:** A monthly annuity for the life of the participant. After the participant's death, a Survivor Annuity is provided as described above for the applicable Division A or B benefit, beginning at the latter of the participant's Normal Retirement Date or date of death.

### **Non-Vested Termination:**

- a. **Eligibility:** Any actively employed Division A participant.
- b. **Benefit:** Refund of Employee Contributions without interest.
- c. **Form of Benefit:** Lump sum.

## General Employees' Pension Plan For the City of Tampa

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### Deferred Retirement Option Program (DROP):

- a. **Eligibility:** Completion of at least 6 years of Service and the attainment of age 55.
- b. **Benefit Amount:** The participant's Accrued Normal or Early Retirement Pension calculated as of the beginning of the DROP period, accumulated annually with interest (whether positive or negative) and annual cost-of-living adjustments, as described above for the applicable Division A or B benefit, during the DROP period. Prior to each Plan Year, DROP Members elect to have interest accumulate annually during the DROP calculation period at either (i) a rate reflecting the Fund's net investment performance, as determined by the Board of Trustees, or (ii) a rate reflective of a low risk variable rate selected annually by the Board of Trustees, in its sole discretion, that minimizes exposure to market fluctuations. The Trustees are expected to select an actual, separate investment vehicle that will provide the return for option (ii).
- c. **Form of Benefit:** When the DROP period ends (maximum 7 years), the employee must terminate employment. At that time, the accumulated DROP benefits will be distributed to the participant, or if deceased, such participant's designated beneficiary. In addition, the monthly annuity, including COLA adjustments, will continue to the participant as provided above.
- d. **Other Provisions:** A participant in DROP is no longer eligible for Disability Benefits, but if the participant dies while in the DROP period, Death Benefits are paid as described above. Employee Contributions are no longer collected, and Continuous Service and Average Monthly Compensation are frozen as of the date of entry into DROP.

**Ad Hoc Cost-of-Living Adjustment:** Effective October 1, 1999, a single adjustment was made to the benefits being paid retirees or their beneficiaries who retired before January 1, 1975, from active service, equal to 1% per year, compounded annually from the date of retirement to January 1, 1999.

**Actuarial Equivalence:** The Actuarial Equivalent of the Accrued Benefit is based on mortality in accordance with the 1983 Group Annuity Mortality Table for Males with female ages set back 6 years and post-disablement mortality based upon 80% of the 1965 Railroad Board Ultimate Mortality Table. (The interest rate has not been specified.) (This definition does not apply for Plan Years beginning after December 31, 2008.)

**Officers:** Elective officers, department heads and appointive officers shall also participate in the Plan in the same manner as permanent employees, except for special break-in-service rules explained in the statute.

**Maximum Benefit:** IRC Section 415 limits, as in effect prior to EGTRRA (i.e., based on a dollar limitation of \$90,000 per year, indexed), apply as modified for governmental plans.

# General Employees' Pension Plan For the City of Tampa

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## Actuarial Basis

January 1, 2012

### ACTUARIAL COST METHOD

Entry Age Normal with Frozen Initial Liability. Changes in plan provisions to the extent unfunded, are reflected in a supplemental component of the Unfunded Frozen Initial Liability. Changes in actuarial assumptions are reflected in future Normal Costs.

### ACTUARIAL ASSUMPTIONS

**Investment Yield:** The investment rate of earnings is assumed to be 8.0% per annum.

**Mortality:** Mortality is based on the RP-2000 (Retirement Plans-2000) Tables projected according to the year of valuation. The RP-2000 Tables are sex-distinct. The tables for annuitants, i.e., participants already in pay status, are projected 7 years beyond the valuation date. The tables for nonannuitants are projected 15 years beyond the valuation date.

**Post-Disablement Mortality:** Post-disablement mortality is based upon 80% of the 1965 Railroad Board Ultimate Mortality Table.

**Withdrawal and Disability Incidence:** Samples of preretirement withdrawal and disability rates are shown below:

Age	Probability of Withdrawal	Probability of Disability
20	19.30%	.09%
30	9.70%	.11%
40	3.65%	.15%
50	1.35%	.33%
60	0.00%	1.18%

**Salary Scale:** Future Salaries are assumed to increase at the rate of 6.0% per year (3.0% attributable to inflation and 3.0% attributable to seniority or merit).

**Payroll Growth:** For purposes of projecting Total Participants' Compensation (Under Maximum Assumed Retirement Age) from the calendar year forward nine months to the plan year beginning October 1, a 4% increase assumption is applied.

**Actuarial Value of Assets:** Assets are valued using 5-year smoothed market value without phase-in.

## General Employees' Pension Plan For the City of Tampa

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**Retirement Rate:** Active participants are assumed to retire at the rates shown below:

Age	Division A		Division B
	First Year of Eligibility to Retire	All Years Thereafter	All Years
55	0.50	0.35	0.05
56	0.40	0.20	0.05
57	0.20	0.10	0.05
58	0.20	0.10	0.05
59	0.20	0.10	0.05
60	0.40	0.20	0.10
61	0.30	0.15	0.20
62	0.40	0.20	0.10
63	0.20	0.10	0.10
64	0.30	0.15	0.10
65	0.50	0.40	0.15
66	0.50	0.40	0.25
67	0.50	0.25	0.15
68	0.50	0.25	0.15
69	0.50	0.25	0.20
70 (max.)	1.00	1.00	1.00

**Timing of Contribution:** The contribution is assumed to be made quarterly throughout the fiscal year.

**Employees Covered:** All participants as of the actuarial valuation date.

**Expenses:** Expenses for the current plan year are assumed to equal actual expenses for the second prior plan year. If actual expenses for the second prior plan year differ from the second prior plan year's estimate, a make-up contribution or credit is included.

**Marital Status:** 85% of all male participants are assumed to be married; 65% of all female participants are assumed to be married.

**Spouse's Ages:** Male spouses are assumed to be three years older than female spouses.

**Remarriage:** A sample of remarriage rates is shown below:

Age	Rate
25	8.755%
30	6.280%
35	4.107%
40	2.614%
45	1.768%
50	1.178%
55	.744%
60	.469%
65	.290%
70	.198%

## General Employees' Pension Plan For the City of Tampa

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Using the October 1, 2001, valuation results, an analysis was made of the impact of the reduction in the Survivor Annuity from 75% to 50% upon remarriage (Division A). Based on these remarriage rates, the analysis showed that the impact was equivalent to valuing (1) a 73.63% Survivor Annuity for active, terminated vested, retired and disabled participants and (2) a benefit equal to 99.16% of the actual monthly benefit for beneficiaries already receiving the Survivor Annuity.

**Maximum Compensation:** Compensation is limited to \$245,000 per year, projected to increase at the rate of 4.5% per year.

**Maximum Benefit:** The maximum accrued benefit payable as a life annuity (the value of the Plan's Survivor Annuity is not subject to this limitation) commencing between ages 62 and 65 is \$195,000, projected to increase at the rate of 4.5% per year.

**Completeness of Assumptions:** All benefits and expenses to be provided by the Plan are recognized in the valuation. All known events are taken into account; no current trends are assumed to discontinue in the future.

### COMPARABILITY WITH PRIOR VALUATION

**Significant Events During the Year:** None.

**Significant Changes in the Summary of Major Plan Provisions:** None.

**Significant Changes in the Actuarial Cost Method or Actuarial Assumptions:** None.

**Other Information Needed to Fully and Fairly Disclose the Actuarial Position of the Plan:** None.

# General Employees' Pension Plan For the City of Tampa

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## Actuarial Cost Method "Entry Age Normal with Frozen Initial Liability"

January 1, 2012

An actuarial valuation is a series of mathematical calculations which project future benefits under a pension plan and future contributions to fund those benefits. The true cost of a pension plan cannot be determined until the last benefit is paid, because the true cost is the actual benefits ultimately paid, plus the expense of maintaining the plan, less the actual income earned on invested funds. Since funding cannot wait until the last benefit is paid, however, actuarial assumptions are used to project ultimate benefit levels and the reserves needed to provide them. An actuarial cost method is then used to establish a reasonable pattern of contributions to accumulate those reserves. The assumptions and cost method themselves, therefore, only impact on the incidence of funding, not the true cost. Each new valuation automatically corrects for any differences between the assumptions and actual experience, and the correction is spread over the current and future years of funding.

The Entry Age Normal with Frozen Initial Liability cost method spreads the funding of a portion of the pension benefits over the future service of all active participants and the balance is funded in a separate amortization schedule.

The Frozen Initial Liability is determined and fixed in the first year the cost method is adopted, although it may be redetermined or a supplemental piece added when the Plan is amended. The Frozen Initial Liability is the excess of the Present Value of Benefits over the sum of (a) the Present Value of Future Entry Age Normal Costs, (b) the Present Value of Future Employee Contributions, and (c) the Actuarial Value of Assets in the Trust Fund. The Entry Age Normal Cost is the annual cost determined by assuming the current Plan was always in effect and calculating the amount needed to produce level funding of benefits for all current participants from the date they would have entered the Plan. The Frozen Initial Liability may be amortized over as many as 40 years.

In each subsequent year, the order of steps is reversed. The Present Value of Future Normal Costs is calculated as the excess of the Present Value of Benefits over the sum of (a) the unfunded portion of the Frozen Initial Liability, (b) the Actuarial Value of Assets and (c) the Present Value of Future Employee Contributions.

The Normal Cost is developed by spreading the Present Value of Future City Normal Costs over the future compensation of all participants as a level percentage of pay, i.e., by dividing it by the Present Value of Future Compensation to get the Normal Cost Rate. The Normal Cost Rate is presumed to remain constant from the January 1 valuation date to the following Plan Year, October 1 through September 30. The Normal Cost is the product of the Normal Cost Rate and the current Participants' Compensation, after the latter is projected forward nine months with a payroll growth assumption. Actuarial gains or losses are included in the Present Value of Future Normal Costs, and are reflected in the Normal Cost Rate and thereby spread over the remaining future service of the participants in the Normal Cost. The Frozen Initial Liability is not adjusted for actuarial gains or losses.

## General Employees' Pension Plan For the City of Tampa

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The state minimum required contribution in a particular year is equal to the Normal Cost, plus a level amount which will amortize the Frozen Initial Liability and supplemental bases over the applicable number of years, plus expected and "make-up" expenses, less the Past Excess Contributions.

In the event of either a negative Normal Cost or an unfunded liability that is zero or less, the Cost Method will operate temporarily as the Aggregate Cost Method, in effect, until a positive unfunded liability is established at the time of a plan amendment, when a new Frozen Initial Liability is established.

The calculation of the contribution has been made in a manner that assumes quarterly payment during the Plan Year. In order to meet the state minimum funding requirements, the state minimum required contribution must be made at least quarterly during the Plan Year.