

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

### **Actuarial Report for Funding and Accounting Information as of January 1, 2013**

**To Determine the Annual Contribution for the  
Plan Year October 1, 2013, to September 30, 2014,  
to be Paid in the Fiscal Year October 1, 2013, to  
September 30, 2014**



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, 2013. Contained in this report are the contribution requirements for the Plan Year beginning October 1, 2013, and ending September 30, 2014, measurements of the funded status of the plan, and disclosures for financial accounting.

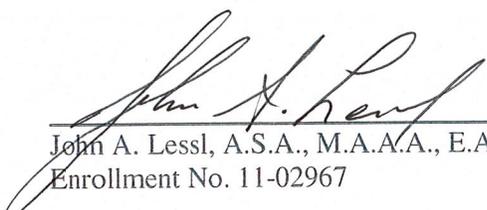
This report is intended for the sole use of the City of Tampa and the Pension Board, and is intended only to supply information for the City and Board to comply with the stated purposes of the report and may not be appropriate for other purposes. Reliance on information contained in this report by anyone 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

\_\_\_\_\_  
8-14-13  
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, 2013

The results of the actuarial valuation of the City of Tampa General Employees' Pension Plan as of January 1, 2013, 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 \$23,633,114 to \$26,270,308, i.e., an increase of \$2,637,194. These figures are net of Past Excess Contributions, i.e., contributions actually made for prior years above the required levels.

	Plan Year Ended		
	09/30/2012	09/30/2013	09/30/2014
State Minimum Required Contribution*	\$22,712,265	\$23,633,114	\$26,270,308
Percent of Participants' Compensation	16.7%	17.5%	19.5%

\* The City has adopted the "Percentage Method" rather than the "Dollar Method." This means that 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, 2012, were \$3.08 million. This becomes the estimated expense provision for the 2013-2014 year. The make-up provision was an additional \$0.36 million. Thus the total provision for expenses is \$3.44 million, slightly less than 2012-2013.

### 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 2.4% for the year ended December 31, 2012 – compared to the assumed rate of return of 8.0% annually. The market value return was 14.5%. Investment experience compounded over the last 5 years has been approximately 2.8% per year. Compensation for continuing participants increased 3.4% on average – compared to the assumed salary increase of 6.0% annually. Compensation increases compounded over the last 5 years have been approximately 2.3% per year.

# General Employees' Pension Plan For the City of Tampa

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	\$ 1,136
Investment Performance less than Expected	\$ (31,270)	3,101
Compensation Increases less than Expected	(7,315)	(725)
Change in Plan Expenses and Make-up	N/A	(4)
Change in Past Excess Contributions	N/A	(74)
All Other Experience	(1,735)	(797)
		<u>\$ 2,637</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, 2013, although a higher level of excess funding would be desirable:

	01/01/2012	01/01/2013
<b>NET ASSETS AVAILABLE FOR BENEFITS*</b>	\$ 554,594,000	\$ 545,524,000
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
TOTAL VESTED BENEFITS	\$ 570,655,228	\$ 585,426,056
Percent Funded	97.2%	93.2%
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$ 575,167,048	\$ 590,121,133
Percent Funded	96.4%	92.4%

\* 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.):

	01/01/2012	01/01/2013
ACTUARIAL VALUE OF ASSETS	\$ 554,594,000	\$ 545,524,000
ACTUARIAL ACCRUED LIABILITY	\$ 561,569,839	\$ 551,757,828
Funded Ratio	98.8%	98.9%

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:

	01/01/2012	01/01/2013
ACTUARIAL VALUE OF ASSETS	\$ 554,594,000	\$ 545,524,000
ENTRY AGE NORMAL ACCRUED LIABILITY	\$ 665,092,458	\$ 679,837,506
Funded Ratio	83.4%	80.2%

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

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

January 1, 2013

	<u>1/1/2012</u>	<u>1/1/2013</u>
1. Number of Participants		
Active	2,430	2,386
Terminated with Vested Benefits	459	511
Retirees and Beneficiaries including DROP	1,969	1,975
Disabled	71	71
Total	4,929	4,943
2. Participants' Expected Calendar Compensation		
a. Under Maximum Assumed Retirement Age	\$ 129,571,546	\$ 129,775,717
b. Beyond Maximum Assumed Retirement Age	611,040	411,648
c. Total	\$ 130,182,586	\$ 130,187,365
3. Present Value of Benefits		
Active	\$ 287,743,375	\$ 290,913,997
Terminated with Vested Benefits	23,799,522	28,172,370
Retirees and Beneficiaries including DROP	428,400,863	433,676,627
Disabled	8,383,617	9,686,846
Total	\$ 748,327,377	\$ 762,449,840
4. Unfunded Actuarial Accrued Liability	\$ 8,084,320	\$ 7,454,754
5. Actuarial Value of Assets	\$ 554,594,000	\$ 545,524,000
6. Past Excess Contributions Account	\$ 1,108,984	\$ 1,220,926
7. Present Value of Future Employee Contributions	\$ 805,056	\$ 621,248
8. Present Value of Future City Normal Costs = (3) – (4) – [(5) – (6)] – (7)	\$ 185,952,985	\$ 210,070,764
9. Present Value of Future Compensation	\$ 1,375,907,774	\$ 1,360,883,887
10. Normal Cost Rate = (8) ÷ (9) x 1.03923	14.05%	16.04%
11. Projected Participants' Compensation for the Upcoming Plan Year = (2a) x 1.04	\$ 134,754,408	\$ 134,966,745
12. City Normal Cost, Payable Quarterly = (10) x (11)	\$ 18,932,994	\$ 21,648,666

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

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**Unfunded Frozen Initial and Supplemental Liabilities**

January 1, 2013

	Initial Amount to be Amortized	Beginning Amortization Period	Original Amortization Period (Years)	Years Remaining	Plan Year Beginning Annual Amortization Amount	Unamortized Balance as of 1/1/2013
Benefit Improvement*	\$ 577,178	10/1/2004	15.0000	6.7500	\$ 66,146	\$ 367,496
Benefit Improvement**	4,908,273	10/1/2005	17.1526	9.1526	525,506	3,815,561
Benefit Improvement***	5,365,251	10/1/2006	17.5000	10.5000	569,025	4,469,357
					<u>\$ 1,160,677</u>	
						1. Unamortized Balance as of 01/1/2013 \$ 8,652,414
						2. Past Excess Contributions <u>1,197,660</u>
						3. Remaining Unfunded Liabilities = (1) - (2) \$ 7,454,754

\* 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, 2013

### Projected Unfunded Actuarial Accrued Liability

January 1	Liability
2013	\$ 7,454,754
2014	\$ 6,797,603
2015	\$ 6,087,880
2016	\$ 5,321,380
2021	\$ 1,025,562
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, 2013

	Plan Year Ended	
	<u>9/30/2011</u>	<u>9/30/2012</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*	18,343,173	21,263,213
Interest	<u>719,603</u>	<u>713,131</u>
Total Charges	\$ 19,062,776	\$ 21,976,344
<b>Credits:</b>		
Excess Contribution Brought Forward	\$ 1,047,618	\$ 1,087,851
City Contributions	18,418,000	21,285,134
Interest	<u>685,009</u>	<u>801,019</u>
Total Credits	\$ 20,150,627	\$ 23,174,004
<b>Balance:</b>		
Excess Contribution Carried Forward	<u>\$ 1,087,851</u>	<u>\$ 1,197,660</u>
Deficiency Carried Forward	<u>\$ -</u>	<u>\$ -</u>
<b>Projection to Next Valuation Date:</b>		
Balance as of 09/30	\$ 1,087,851	\$ 1,197,660
Interest on Balance for One Quarter	<u>\$ 21,133</u>	<u>\$ 23,266</u>
Balance as of 12/31	<u>\$ 1,108,984</u>	<u>\$ 1,220,926</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, 2013

	<u>1/1/2012</u>	<u>1/1/2013</u>
<b>Assets:</b>		
Cash	\$ -	\$ 97
Interest and Dividends Receivable	1,598	1,431
Debt and Other Interest Bearing Investments	168,695	179,248
Equity Securities	329,848	372,805
Real Estate Investments	30,823	33,051
Accounts Receivable	-	17,590
Employer Contribution Receivable*	-	-
	\$ 530,964	\$ 604,222
<b>Total Assets</b>	<b>\$ 530,964</b>	<b>\$ 604,222</b>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 1,262	\$ 19,043
Accrued Liabilities	-	-
	\$ 1,262	\$ 19,043
<b>Total Liabilities</b>	<b>\$ 1,262</b>	<b>\$ 19,043</b>
<b>Fund Balances:</b>		
Reserve for DROP	\$ 14,668	\$ 19,228
Reserve for Other Retirement Benefits	513,772	546,908
	\$ 529,702	\$ 585,179
<b>Total Fund Balances</b>	<b>\$ 529,702</b>	<b>\$ 585,179</b>
<b>Total Liabilities and Fund Balances:</b>	<b>\$ 530,964</b>	<b>\$ 604,222</b>

\* 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, 2013

	Total Reserves	
	Actuarial Value	Market Value
<b>Net Assets as of 12/31/2011</b>	\$ 570,389	\$ 529,702
 <b>Contributions and Disbursements:</b>		
City Contributions	\$ 21,654	\$ 21,654
Employee Contributions	153	153
Pension Payments	(38,619)	(38,619)
Contribution Refunds	-	-
Expenses	(3,084)	(3,084)
	<u>\$ (19,896)</u>	<u>\$ (19,896)</u>
 <b>Investment Return:</b>		
Interest & Dividends	\$ 9,834	\$ 9,834
Realized Gain (Loss)	18,177	18,177
Unrealized Gain (Loss)	(14,446)	47,362
	<u>\$ 13,565</u>	<u>\$ 75,373</u>
<b>Net Income:</b>	\$ (6,331)	\$ 55,477
<b>Net Assets as of 12/31/2012</b>	\$ 564,058	\$ 585,179
Approximate Rate of Return	2.4%	14.5%

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

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### Investment Gain/(Loss)

January 1, 2013

	1/1/2013	1/1/2012	1/1/2011	1/1/2010
1. Date of Actuarial Value of Assets:	1/1/2013	1/1/2012	1/1/2011	1/1/2010
2. Market Value as of Prior Year (including receivable contributions)	\$ 529,702	\$ 557,783	\$ 509,558	\$ 433,211
3. Receivable Contribution included above	\$ -	\$ -	\$ -	\$ -
4. Market Value Excluding Receivable (2) - (3)	\$ 529,702	\$ 557,783	\$ 509,558	\$ 433,211
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)	\$ 21,807	\$ 18,770	\$ 21,018	\$ 14,767
6. Benefit Distributions	\$ 38,619	\$ 37,094	\$ 38,428	\$ 33,705
7. Administrative Expenses	\$ 3,084	\$ 3,088	\$ 2,948	\$ 3,121
8. Expected Return %	8.00%	8.00%	8.00%	8.00%
a. Item (4) for 1 year	\$ 42,376	\$ 44,623	\$ 40,765	\$ 34,657
b. Item (3) for partial & (5) for 1/2 year	855	736	825	579
c. Item (6) for 1/2 year	(1,515)	(1,455)	(1,508)	(1,322)
d. Item (7) for 1/2 year	(121)	(121)	(116)	(122)
	\$ 41,595	\$ 43,783	\$ 39,966	\$ 33,792
9. Expected Market Value (2)+(5)-(6)-(7)+(8)	\$ 551,401	\$ 580,154	\$ 529,166	\$ 444,944
10. Actual Market Value this Year (including receivable contributions)	\$ 585,179	\$ 529,702	\$ 557,783	\$ 509,558
11. Investment Gain/(Loss) from Experience	\$ 33,778	\$ (50,452)	\$ 28,617	\$ 64,614

# General Employees' Pension Plan for the City of Tampa

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## Actuarial Value of Assets

January 1, 2013

5 -YEAR SMOOTHED MARKET VALUE WITHOUT PHASE-IN		1/1/2013
1. Market Value of Assets	\$	585,179
2. Investment Gains/(Losses) for Four Prior Years		
a. Jan-12	\$	33,778
b. Jan-11		(50,452)
c. Jan-10		28,617
d. Jan-09		64,614
3. Unrecognized Investment Gains/(Losses)		
a. Jan-12   80% of (2)(a)	\$	27,022
b. Jan-11   60% of (2)(b)		(30,271)
c. Jan-10   40% of (2)(c)		11,447
d. Jan-09   20% of (2)(d)		12,923
e. Total: (a)+(b)+(c)+(d)	\$	21,121
4. Preliminary Actuarial Value of Assets = (1) - (3)(e)	\$	564,058
5. Adjustment to be within 20% of market value	\$	-
6. Actuarial Value of Assets = (4) + (5)	\$	564,058

## 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, 2013

	<u>Actuarial Value Allocated in Proportion to Market Value</u>	<u>Market Value</u>
Reserve for DROP	\$ 18,534	\$ 19,228
Reserve for Other Retirement Benefits	<u>545,524</u>	<u>565,951</u>
 Total Fund Balances	 \$ 564,058	 \$ 585,179

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

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

January 1, 2013

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>1/1/2012</u>	<u>1/1/2013</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS*</b>	\$ 554,594,000	\$ 545,524,000
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
Vested Benefits		
Participants Currently Receiving Payments	\$ 436,784,480	\$ 443,363,473
All Other Participants	133,870,748	142,062,583
<b>TOTAL VESTED BENEFITS</b>	<b>\$ 570,655,228</b>	<b>\$ 585,426,056</b>
Percent Funded	97.2%	93.2%
<b>NONVESTED BENEFITS</b>	4,511,820	4,695,077
<b>TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>	<b>\$ 575,167,048</b>	<b>\$ 590,121,133</b>
Percent Funded	96.4%	92.4%

\* 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, 2013

	<u>1/1/2012</u>	<u>1/1/2013</u>
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF PRIOR VALUATION DATE</b>	\$ 579,708,864	\$ 575,167,048
Increase (Decrease) During the Year Attributable to:		
Increase for Interest Due to the Decrease in the Discount Period	\$ 44,892,949	\$ 44,468,604
Benefits Paid	(37,094,000)	(38,619,000)
Benefits Accumulated, Turnover, Other Experience	5,437,827	9,104,481
Correction of Data Input	(17,778,592)	-
Change in Actuarial Assumptions	-	-
Plan Amendment	-	-
Net Increase (Decrease)	\$ (4,541,816)	\$ 14,954,085
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF CURRENT VALUATION DATE</b>	<b>\$ 575,167,048</b>	<b>\$ 590,121,133</b>

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

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

January 1, 2013

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Present Value of Future Benefits b1	Present Value of Future Employee Contributions b2	Present Value of Future City Normal Costs b3	Actuarial Liability b4*	Unfunded Actuarial Liability (b4) - a*	Funded Ratio a/(b4)	Covered Payroll c	Unfunded as a Percent of Covered Payroll (b4)-a/c
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	10,898,053	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%
1/1/2013	545,524,000	762,449,840	621,248	210,070,764	551,757,828	6,233,828	98.9%	134,966,745	4.6%

\* 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, 2013

		Plan Year Ended	
	Final <u>9/30/2012</u>	Estimated <u>9/30/2013</u>	Estimated <u>9/30/2014</u>
<b>Annual Required Contribution (ARC):</b>			
1. Normal Cost (as for State Minimum Required Contribution)	N/A	\$ 18,932,994	\$ 21,648,666
2. Net Amortization Charge	N/A	1,206,211	1,206,211
3. Expenses	N/A	3,445,000	3,441,000
4. Minimum Required City Contribution*	\$ 21,263,213	N/A	N/A
5. Change in Past Excess Contributions Account	<u>1,092,752</u>	<u>N/A</u>	<u>N/A</u>
6. Annual Required Contribution = (1) + (2) + (3) + (4) + (5)	\$ 22,355,965	\$ 23,584,205	\$ 26,295,877
<b>Annual Pension Cost (APC):</b>			
1. Annual Required Contribution	\$ 22,355,965	\$ 23,584,205	\$ 26,295,877
2. Interest on the Net Pension Obligation	(85,345)	4,238	Pending
3. Adjustment to the Annual Required Contribution**	<u>92,025</u>	<u>(4,562)</u>	<u>Pending</u>
4. Annual Pension Cost = (1) + (2) + (3)	\$ 22,362,645	\$ 23,583,881	Pending
<b>Net Pension Obligation (NPO):</b>			
1. Net Pension Obligation at End of Prior Year	\$ (1,066,809)	\$ 52,973	Pending
2. Annual Pension Cost	\$ 22,362,645	\$ 23,583,881	Pending
3. Actual Employer Contribution	\$ 21,285,134	Pending	Pending
4. Change in Net Pension Obligation = (2) - (3)	\$ 1,077,511	Pending	Pending
5. Interest on (4) to End of Year	\$ 42,271	Pending	Pending
6. Net Pension Obligation = (1) + (4) + (5)	\$ 52,973	Pending	Pending
<b>Average Remaining Service Life of Active Members</b>			
	12.520	12.540	12.160

\*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.

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

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

January 1, 2013

Fiscal Year Ending	Annual Required Cost (ARC)*	City Contributions Made	Percentage of ARC Contributed	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
	a	b	b / a	c	b / c	
9/30/1992	\$ 5,470,846	\$ 5,471,413	100.0%	N/A	N/A	N/A
9/30/1993	4,866,096	4,872,255	100.1%	N/A	N/A	N/A
9/30/1994	4,928,175	4,936,058	100.2%	N/A	N/A	N/A
9/30/1995	6,408,113	6,408,113	100.0%	N/A	N/A	N/A
9/30/1996	3,157,691	3,157,691	100.0%	N/A	N/A	\$ -
9/30/1997	1,094,111	1,098,067	100.4%	\$ 1,094,111	100.4%	(3,956)
9/30/1998	1,084,360	1,104,767	101.9%	1,085,384	101.8%	(23,339)
9/30/1999	1,287,778	1,282,454	99.6%	1,288,052	99.6%	(17,741)
9/30/2000	1,785,029	1,745,401	97.8%	1,785,175	97.8%	22,033
9/30/2001	1,871,568	1,868,734	99.8%	1,870,807	99.9%	24,187
9/30/2002	1,272,502	1,271,965	100.0%	1,271,674	100.0%	23,885
9/30/2003	1,598,297	1,556,922	97.4%	1,597,474	97.5%	66,028
9/30/2004	6,767,000	6,773,652	100.1%	6,764,713	100.1%	56,738
9/30/2005	8,216,229	8,281,000	100.8%	8,214,223	100.8%	(12,659)
9/30/2006	11,396,961	11,414,000	100.1%	11,397,445	100.1%	(29,863)
9/30/2007	15,110,329	15,058,000	99.7%	15,111,473	99.6%	25,708
9/30/2008	14,207,076	14,202,000	100.0%	14,206,094	100.0%	29,963
9/30/2009	12,064,170	12,138,000	100.6%	12,063,019	100.6%	(47,960)
9/30/2010	** 19,482,521	20,529,000	105.4%	19,484,467	105.4%	(1,133,470)
9/30/2011	18,435,441	18,418,002	99.9%	18,482,147	99.7%	(1,066,809)
9/30/2012	22,355,965	21,285,134	95.2%	22,362,645	95.2%	52,973
9/30/2013	*** 23,584,205	Pending	Pending	23,583,881	Pending	Pending
9/30/2014	*** 26,295,877	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

Division A	January 1, 2013							Total
	Active	DROP	Terminated		Retired	Beneficiaries		
			Vested	Disabled				
<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>	
New Entrants							-	
Retirements	(1)	(14)	(3)		18		-	
Disabilities							-	
Terminations							-	
a) Not vested							-	
b) Vested	(1)		1				-	
DROP enrollments	(4)	4					-	
Deaths				(3)	(28)	(33)	(64)	
New Beneficiaries				(2)	(16)	18	-	
Benefits Expired							-	
Other		3			(1)	(1)	1	
<b>January 1, 2013</b>	<b>32</b>	<b>86</b>	<b>8</b>	<b>32</b>	<b>806</b>	<b>402</b>	<b>1,366</b>	
<b>Average Age</b>	<b>53.9</b>	<b>59.9</b>	<b>53.2</b>	<b>69.7</b>	<b>73.4</b>	<b>78.3</b>		

#### 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

#### Active Participants as of January 1, 2013

	Males	Females	Total
Number of Participants	20	12	32
Average Age Nearest Birthday	54.0	53.8	53.9
Average Completed Years of Service	34.1	34.8	34.4
Average Compensation for Prior Year	\$61,360	\$53,776	\$58,516

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

### Participant Data Summary (Continued)

Division B	January 1, 2013						
	Active	DROP	Terminated		Retired	Beneficiaries	Total
			Vested	Disabled			
<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>
New Entrants	137						137
Retirements	(22)	(19)	(9)		50		-
Disabilities	(4)			4			-
Terminations							
a) Not vested	(61)						(61)
b) Vested	(54)		54				-
DROP enrollments	(31)	31					-
Deaths	(1)		(1)		(13)	(1)	(16)
New Beneficiaries	(2)				(8)	10	-
Benefits Expired							-
Other		1	10	1	1	4	17
<b>January 1, 2013</b>	<b>2,354</b>	<b>114</b>	<b>503</b>	<b>39</b>	<b>480</b>	<b>87</b>	<b>3,577</b>
<b>Average Age</b>	<b>46.4</b>	<b>64.7</b>	<b>49.9</b>	<b>56.7</b>	<b>69.4</b>	<b>65.9</b>	

### 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

### Active Participants as of January 1, 2013

	Males	Females	Total
Number of Participants	1526	828	2354
Average Age Nearest Birthday	46.8	45.7	46.4
Average Completed Years of Service	13.8	14.2	13.9
Average Compensation for Prior Year	\$52,830	\$48,704	\$51,379

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

### Participant Data Summary (Continued)

Total	January 1, 2013						
	Active	DROP	Terminated		Retired	Beneficiaries	Total
			Vested	Disabled			
<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>
New Entrants	137	-	-	-	-	-	137
Retirements	(23)	(33)	(12)	-	68	-	-
Disabilities	(4)	-	-	4	-	-	-
Terminations							
a) Not vested	(61)	-	-	-	-	-	(61)
b) Vested	(55)	-	55	-	-	-	-
DROP enrollments	(35)	35	-	-	-	-	-
Deaths	(1)	-	(1)	(3)	(41)	(34)	(80)
New Beneficiaries	(2)	-	-	(2)	(24)	28	-
Benefits Expired	-	-	-	-	-	-	-
Other	-	4	10	1	-	3	18
<b>January 1, 2013</b>	<b>2,386</b>	<b>200</b>	<b>511</b>	<b>71</b>	<b>1,286</b>	<b>489</b>	<b>4,943</b>
<b>Average Age</b>	<b>46.5</b>	<b>62.6</b>	<b>50.0</b>	<b>62.6</b>	<b>71.9</b>	<b>76.1</b>	

### 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

### Active Participants as of January 1, 2013

	Males	Females	Total
Number of Participants	1546	840	2386
Average Age Nearest Birthday	46.9	45.8	46.5
Average Completed Years of Service	14.1	14.5	14.2
Average Compensation for Prior Year	\$52,940	\$48,776	\$51,475

# General Employees' Pension Plan for the City of Tampa

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## Age and Service Distribution

January 1, 2013

### 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	0	0
50-54	0	0	0	0	0	0	16	16
55-59	0	0	0	0	0	0	3	3
60-64	0	0	0	0	0	0	1	1
65 and over	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0	20	20

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

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### Age and Service Distribution (Continued)

January 1, 2013

#### 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	11
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	12

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

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### Age and Service Distribution (Continued)

January 1, 2013

#### Division B Males

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
Under 25	41	10	0	0	0	0	0	51
25-29	36	37	1	0	0	0	0	74
30-34	46	45	25	6	0	0	0	122
35-39	46	41	23	21	8	0	0	139
40-44	44	51	44	37	24	13	0	213
45-49	35	60	51	37	35	49	16	283
50-54	33	50	46	34	41	44	22	270
55-59	18	31	26	41	30	55	31	232
60-64	18	22	22	9	13	17	16	117
65 and over	2	6	8	3	1	3	2	25
<b>Total</b>	<b>319</b>	<b>353</b>	<b>246</b>	<b>188</b>	<b>152</b>	<b>181</b>	<b>87</b>	<b>1526</b>

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

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### Age and Service Distribution (Continued)

January 1, 2013

#### Division B Females

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
Under 25	20	8	0	0	0	0	0	28
25-29	39	17	2	0	0	0	0	58
30-34	28	21	11	4	0	0	0	64
35-39	27	26	16	10	3	0	0	82
40-44	14	31	21	17	20	5	0	108
45-49	21	31	33	20	28	34	9	176
50-54	19	18	20	13	17	33	19	139
55-59	13	19	13	7	18	24	24	118
60-64	3	12	6	2	5	9	7	44
65 and over	2	1	2	1	1	2	2	11
<b>Total</b>	<b>186</b>	<b>184</b>	<b>124</b>	<b>74</b>	<b>92</b>	<b>107</b>	<b>61</b>	<b>828</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, 2013

#### 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%	
	December 31, 2012	3.4%	
	Last 5 Years, Compounded	2.3%	

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, 2013

#### Actual Investment Return

Year Ended	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%	
	December 31, 2012	2.4%	
	Last 5 Years, Compounded	2.8%	

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, 2013

	1/1/2012	1/1/2012	1/1/2012	1/1/2012	1/1/2013	1/1/2013	1/1/2013
	Division A	Division B	Total	Division A	Division B	Total	
Number Included							
Active Members	38	2392	2430	32	2354	2386	
Retired Members, Beneficiaries and DROP	1344	625	1969	1294	681	1975	
Disabled Members	37	34	71	32	39	71	
Terminated members with Vested Benefits	10	449	459	8	503	511	
	1429	3500	4929	1366	3577	4943	

### A. Participant Data

Total Annual Payroll of Active Members Included (Under Maximum Assumed Retirement Age, Projected for Upcoming Plan Year)	\$ 2,406,791	\$ 132,347,617	\$ 134,754,408	\$ 2,064,251	\$ 132,902,494	\$ 134,966,745
Total Annual Payment of Benefits to Retired Members, Beneficiaries and DROP	\$ 33,061,581	\$ 6,320,104	\$ 39,381,685	\$ 33,202,459	\$ 7,136,504	\$ 40,338,963
Total Annual Payment of Benefits to Disabled Members	\$ 661,032	\$ 321,324	\$ 982,356	\$ 634,864	\$ 470,185	\$ 1,105,049
Total Annual Payment of Benefits at Retirement to Terminated Vested Members	\$ 263,629	\$ 3,765,271	\$ 4,028,900	\$ 269,367	\$ 4,371,049	\$ 4,640,416
Active Employee Contributions to Date (No Interest is Credited)	\$ 2,951,294	\$ -	\$ 2,951,294	\$ 2,541,443	\$ 21,428	\$ 2,562,871

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

### State Required Exhibit (Continued)

	1/1/2012 Division A	1/1/2012 Division B	1/1/2012 Total	1/1/2013 Division A	1/1/2013 Division B	1/1/2013 Total
<b>B. Assets</b>						
Actuarial Value	N/A	N/A	\$ 554,594,000	N/A	N/A	\$ 545,524,000
Market Value	N/A	N/A	\$ 515,034,000	N/A	N/A	\$ 565,951,000
<b>C. Liabilities</b>						
Present Value of Future Expected Benefits						
Actives						
Retirement	\$ 15,811,757	\$ 230,137,392	\$ 245,949,149	\$ 13,755,671	\$ 235,632,973	\$ 249,388,644
Vesting	385,544	8,565,951	8,951,495	221,911	8,292,855	8,514,766
Disability	676,281	23,772,619	24,448,900	556,654	24,101,342	24,657,996
Death	150,174	8,243,657	8,393,831	121,363	8,231,228	8,352,591
Return of Employee Contributions	*	*	*	*	*	*
Total	\$ 17,023,756	\$ 270,719,619	\$ 287,743,375	\$ 14,655,599	\$ 276,258,398	\$ 290,913,997
Retired & Disabled Members / Beneficiaries						
Terminated Vested Members	\$ 368,238,187	\$ 68,546,293	\$ 436,784,480	\$ 365,391,884	\$ 77,971,589	\$ 443,363,473
	2,870,041	20,929,481	23,799,522	2,997,324	25,175,046	28,172,370
Total	\$ 388,131,984	\$ 360,195,393	\$ 748,327,377	\$ 383,044,807	\$ 379,405,033	\$ 762,449,840
Liabilities Due and Unpaid						
Entry Age Normal Accrued Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded Entry Age Normal Accrued Liability	\$ 387,109,306	\$ 277,983,152	\$ 665,092,458	\$ 382,245,648	\$ 297,591,858	\$ 679,837,506
Liabilities at FRS Discount Rate	N/A	N/A	\$ 110,498,458	N/A	N/A	\$ 134,313,506
Discount Rate	N/A	N/A	7.75%	N/A	N/A	7.75%
Entry Age Normal Accrued Liability	N/A	N/A	\$ 683,367,178	N/A	N/A	\$ 698,321,384
Unfunded Entry Age Normal Accrued Liability	N/A	N/A	\$ 128,773,179	N/A	N/A	\$ 152,797,384

\* Included in above benefits where applicable

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

### State Required Exhibit (Continued)

	1/1/2012 Division A	1/1/2012 Division B	1/1/2012 Total	1/1/2013 Division A	1/1/2013 Division B	1/1/2013 Total
D. GASB 25 - Funding Progress						
1. Actuarial Present Value of Future Benefits	\$ 388,131,984	\$ 360,195,393	\$ 748,327,377	\$ 383,044,807	\$ 379,405,033	\$ 762,449,840
2. Present Value of Future Employee Contributions	805,056	-	805,056	621,248	-	621,248
3. Present Value of Future City Normal Costs	N/A	N/A	185,952,985	N/A	N/A	210,070,764
4. Actuarial Accrued Liability = (1) - (2) - (3)	N/A	N/A	561,569,336	N/A	N/A	551,757,828
5. Actuarial Value of Assets	N/A	N/A	554,594,000	N/A	N/A	545,524,000
6. Unfunded Actuarial Accrued Liability = (4) - (5)	N/A	N/A	6,975,336	N/A	N/A	6,233,828
7. Funded Ratio = (5) / (4)	N/A	N/A	98.8%	N/A	N/A	98.9%
8. Unfunded as a Percent of Covered Payroll	N/A	N/A	5.2%	N/A	N/A	4.6%

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

	Final 9/30/2011	Plan Year Ended Final 9/30/2012	Estimated 9/30/2013
Net Pension Obligation			
1. Net Pension Obligation at End of Prior Year	\$ (1,133,470)	\$ (1,066,809)	\$ 52,973
2. Annual Pension Cost	18,482,147	22,362,645	23,583,881
3. Actual Employer Contribution	18,418,000	21,285,134	Pending
4. Interest on (2) - (3)	2,516	42,271	Pending
Net Pension Obligation = (1) + (2) - (3) + (4)	\$ (1,066,807)	\$ 52,973	Pending
Annual Pension Cost			
1. Annual Required Contribution	\$ 22,355,965	\$ 23,584,205	\$ 26,295,877
2. Interest on Net Pension Obligation	(85,345)	4,238	Pending
3. Adjustment to the Annual Required Contribution*	92,025	(4,562)	Pending
Annual Pension Cost = (1) + (2) + (3)	\$ 22,362,645	\$ 23,583,881	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

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## Retirement Experience Study

January 1, 2012 – January 1, 2013

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	5.99	1	4	5	83.47%
56	0.71	0	0	0	0.00%
57	0.29	0	0	0	0.00%
58	0.48	0	0	0	0.00%
59	1.03	0	0	0	0.00%
60	0.49	0	0	0	0.00%
61	0.00	0	0	0	0.00%
62	0.00	0	0	0	0.00%
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	0.00	0	0	0	0.00%
68	0.00	0	0	0	0.00%
69	0.00	0	0	0	0.00%
70+	0.00	0	0	0	0.00%
		1	4	5	

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	79.56	1	1	2	2.51%
56	68.42	0	0	0	0.00%
57	47.03	0	0	0	0.00%
58	60.04	0	0	0	0.00%
59	54.70	0	1	1	1.83%
60	45.07	1	5	6	13.31%
61	45.36	3	2	5	11.02%
62	23.35	8	9	17	72.81%
63	20.05	2	2	4	19.95%
64	11.02	0	4	4	36.30%
65	15.08	2	1	3	19.89%
66	5.88	1	1	2	34.01%
67	4.32	0	0	0	0.00%
68	2.95	0	3	3	101.69%
69	1.35	0	0	0	0.00%
70+	10.73	4	2	6	55.92%
		22	31	53	

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, 2013

	DROP	
	Division A	Division B
Participants as of 1/1/2012	93	101
New DROP Members	4	31
New DROP's, Withdrew during Year	0	0
All Other Withdrawals	(14)	(19)
Corrections	3	1
Participants as of 1/1/2013	86	114

	<b>Total</b>
Assets as of 1/1/2012	\$14,667,961.51
Payments into DROP	5,663,593.03
Earnings	1,783,450.77
Distributions	(2,967,986.97)
Expenses	(3,330.00)
Adjustments	84,552.04
Assets as of 1/1/2013	\$19,228,240.38

# General Employees' Pension Plan For the City of Tampa

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## Summary of Major Plan Provisions

January 1, 2013

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

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

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- 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.

**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, 2013

### 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 active male participants are assumed to be married; 65% of all active female participants are assumed to be married. The marital status of a terminated vested participant who has not yet elected a form of benefit payment is assumed to be that reported by the participant at his or her date of termination and recorded in the Pension Office.

**Spouse's Ages:** Unless actual data has been provided, 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 \$255,000 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 \$205,000, 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, 2013

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 Members 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 Members 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 Members 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 Members' 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 Members 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 initially calculated to be 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. This dollar amount is converted to a percentage of projected Members' compensation below the maximum assumed retirement age. After the end of the year, this percentage is applied to actual Members' compensation below the maximum assumed retirement age to determine the final state minimum required contribution.

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.