



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

### **Actuarial Report for Funding and Accounting Information as of January 1, 2014**

**To Determine the Annual Contribution for the  
Plan Year October 1, 2014, to September 30, 2015,  
to be Paid in the Fiscal Year October 1, 2014, to  
September 30, 2015**



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, 2014. Contained in this report are the contribution requirements for the Plan Year beginning October 1, 2014, and ending September 30, 2015, 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,

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Stephen Lambert-Oswald, F.S.A., M.A.A.A., E.A.  
Enrollment No. 14-7225

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June 27, 2014

Date

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## Discussion of Results

January 1, 2014

The results of the actuarial valuation of the City of Tampa General Employees' Pension Plan as of January 1, 2014, are contained in this report. The actuarial valuation is based upon census data and trust fund financial statements provided to us by the City.

We performed an experience study on the assumptions this year and have changed the following assumptions to agree with our findings. Probability of Withdrawal was changed to using a select and ultimate table from just an ultimate table. Salary Scale was changed from a 6% assumption for all ages to an age graded table that starts at 10% at age 15 and grades to 2% at age 70. The Retirement Rates have been adjusted to agree with prior experience. The timing of the contribution has been changed from quarterly throughout the year to the beginning of the fiscal year. Marital Status has been changed from 85% of all active males to 70% and from 65% of all active females to 55%.

### 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 decreased from \$26,270,308 to \$17,823,864, i.e., a decrease of \$8,446,444. These figures are net of Past Excess Contributions, i.e., contributions actually made for prior years above the required levels.

	Plan Year Ended		
	09/30/2013	09/30/2014	09/30/2015
State Minimum Required Contribution*	\$23,633,114	\$26,270,308	\$17,823,864
Percent of Participants' Compensation	17.5%	19.5%	13.8%

\* 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, 2013, were \$3.27 million. This becomes the estimated expense provision for the 2014-2015 year. The make-up provision was an additional \$0.18 million. Thus the total provision for expenses is \$3.45 million, slightly more than 2013-2014.

### Actuarial Experience

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

The investment return on the Actuarial Value of Assets was 13.3% for the year ended December 31, 2013 –

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

compared to the assumed rate of return of 8.0% annually. The market value return was 18.8%. Investment experience compounded over the last 5 years has been approximately 7.3% per year. Compensation for continuing participants increased 2.2% on average – compared to the assumed salary increase of 6.0% annually. Compensation increases compounded over the last 5 years have been approximately 2.1% per year.

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	\$ 1,299
Investment Performance greater than Expected	\$ 29,534	(4,075)
Compensation Increases less than Expected	(8,493)	(1,172)
Change in Plan Expenses and Make-up	N/A	6
Change in Past Excess Contributions	N/A	(1,223)
Updating Assumptions	(57,041)	(2,992)
All Other Experience	(6,343)	(567)
		<u>\$ (8,724)</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, 2014, although a higher level of excess funding would be desirable:

	01/01/2013	01/01/2014
<b>NET ASSETS AVAILABLE FOR BENEFITS*</b>	\$ 545,524,000	\$ 615,231,000
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
TOTAL VESTED BENEFITS	\$ 585,426,056	\$ 621,388,184
Percent Funded	93.2%	99.0%
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$ 590,121,133	\$ 625,960,134
Percent Funded	92.4%	98.3%

\* 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.):

	<b>01/01/2013</b>	<b>01/01/2014</b>
ACTUARIAL VALUE OF ASSETS	\$ 545,524,000	\$ 615,231,000
ACTUARIAL ACCRUED LIABILITY	\$ 551,757,828	\$ 618,463,699
Funded Ratio	98.9%	99.5%

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:

	<b>01/01/2013</b>	<b>01/01/2014</b>
ACTUARIAL VALUE OF ASSETS	\$ 545,524,000	\$ 615,231,000
ENTRY AGE NORMAL ACCRUED LIABILITY	\$ 679,837,506	\$ 678,051,605
Funded Ratio	80.2%	90.7%

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

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

January 1, 2014

	<u>01/01/2013</u>	<u>01/01/2014</u>
1. Number of Participants		
Active	2,386	2,359
Terminated with Vested Benefits	511	547
Retirees and Beneficiaries including DROP	1,975	2,013
Disabled	71	69
Total	4,943	4,988
2. Participants' Expected Calendar Compensation		
a. Under Maximum Assumed Retirement Age	\$ 129,775,717	\$ 124,234,188
b. Beyond Maximum Assumed Retirement Age	411,648	360,540
c. Total	\$ 130,187,365	\$ 124,594,728
3. Present Value of Benefits		
Active	\$ 290,913,997	\$ 228,420,727
Terminated with Vested Benefits	28,172,370	32,529,313
Retirees and Beneficiaries including DROP	433,676,627	447,366,841
Disabled	9,686,846	8,906,148
Total	\$ 762,449,840	\$ 717,223,029
4. Unfunded Actuarial Accrued Liability	\$ 7,454,754	\$ 5,685,256
5. Actuarial Value of Assets	\$ 545,524,000	\$ 615,231,000
6. Past Excess Contributions Account	\$ 1,220,926	\$ 2,452,557
7. Present Value of Future Employee Contributions	\$ 621,248	\$ 105,881
8. Present Value of Future City Normal Costs = (3) – (4) – [(5) – (6)] – (7)	\$ 210,070,764	\$ 98,653,449
9. Present Value of Future Compensation	\$ 1,360,883,887	\$ 918,372,839
10. Normal Cost Rate = (8) ÷ (9) x 1.03923	16.04%	11.16%
11. Projected Participants' Compensation for the Upcoming Plan Year = (2a) x 1.02	\$ 134,966,745 *	\$ 126,718,871
12. City Normal Cost, Payable Quarterly = (10) x (11)	\$ 21,648,666	\$ 14,141,826

\*1/1/2013 compensation was projected at 4%.

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

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### State Minimum Required Contribution

January 1, 2014

	Plan Year Ended		
	<u>09/30/2013</u>	<u>09/30/2014</u>	<u>9/30/2015</u>
1. City Normal Cost, Payable Quarterly	\$ 18,932,994	\$ 21,648,666	\$ 14,141,826
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)	\$ 3,093,000	\$ 3,085,000	\$ 3,270,000
Make-up for Shortfall in Second Prior Year's Estimate	<u>352,000</u>	<u>356,000</u>	<u>177,000</u>
Total	\$ 3,445,000	\$ 3,441,000	\$ 3,447,000
4. Change in Past Excess Contributions Account from Third to Second Prior Plan Year plus Interest	\$ (48,909)	\$ 25,569	\$ 1,248,464
5. Minimum Required Contribution by City for Fiscal Year = (1) + (2) + (3) - (4), not less than \$0	\$ 23,633,114	\$ 26,270,308	\$ 17,546,573
6. Percent of Participants' Projected Compensation*	17.5%	19.5%	13.8%

\* 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, 2014

	Initial Amount to be Amortized	Beginning Amortization Period	Original Amortization Period (Years)	Years Remaining	Plan Year Beginning Annual Amortization Amount	Unamortized Balance as of 01/01/2014
Benefit Improvement*	\$ 577,178	10/01/2004	15.0000	5.7500	\$ 66,146	\$ 325,457
Benefit Improvement**	4,908,273	10/01/2005	17.1526	8.1526	525,506	3,553,260
Benefit Improvement***	5,365,251	10/01/2006	17.5000	9.5000	569,025	4,212,359
					\$ 1,160,677	
						1. Unamortized Balance as of 01/1/2014 \$ 8,091,076
						2. Past Excess Contributions <u>2,405,820</u>
						3. Remaining Unfunded Liabilities = (1) - (2) \$ 5,685,256

\* 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, 2014

### Projected Unfunded Actuarial Accrued Liability

January 1	Liability
2014	\$ 5,685,256
2015	\$ 4,886,545
2016	\$ 4,023,938
2017	\$ 3,092,322
2018	\$ 2,397,618
2019	\$ 1,950,443
2020	\$ 1,475,100
2021	\$ 1,025,562
2022	\$ 540,061
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.

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### Past Excess Contributions (State Requirements)

January 1, 2014

	Plan Year Ended	
	<u>09/30/2012</u>	<u>9/30/2013</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*	21,263,213	21,710,165
Interest	<u>713,131</u>	<u>723,408</u>
Total Charges	\$ 21,976,344	\$ 22,433,573
<b>Credits:</b>		
Excess Contribution Brought Forward	\$ 1,087,851	\$ 1,197,660
City Contributions	21,285,134	22,780,522
Interest	<u>801,019</u>	<u>861,211</u>
Total Credits	\$ 23,174,004	\$ 24,839,393
<b>Balance:</b>		
Excess Contribution Carried Forward	<u>\$ 1,197,660</u>	<u>\$ 2,405,820</u>
Deficiency Carried Forward	<u>\$ -</u>	<u>\$ -</u>
<b>Projection to Next Valuation Date:</b>		
Balance as of 09/30	\$ 1,197,660	\$ 2,405,820
Interest on Balance for One Quarter	<u>\$ 23,266</u>	<u>\$ 46,737</u>
Balance as of 12/31	<u>\$ 1,220,926</u>	<u>\$ 2,452,557</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, 2014

	<u>01/01/2013</u>	<u>01/01/2014</u>
<b>Assets:</b>		
Cash	\$ 97	\$ -
Interest and Dividends Receivable	1,431	1,648
Debt and Other Interest Bearing Investments	179,248	184,919
Equity Securities	372,805	468,666
Real Estate Investments	33,051	33,961
Accounts Receivable	17,590	19,972
Employer Contribution Receivable*		
	<u>604,222</u>	<u>709,166</u>
Total Assets	<u>\$ 604,222</u>	<u>\$ 709,166</u>
<b>Liabilities and Fund Balances:</b>		
Liabilities:		
Accounts Payable	\$ 19,043	\$ 21,662
Accrued Liabilities	-	-
	<u>19,043</u>	<u>21,662</u>
Total Liabilities	\$ 19,043	\$ 21,662
Fund Balances:		
Reserve for DROP	\$ 19,228	\$ 17,805
Reserve for Other Retirement Benefits	546,908	648,037
	<u>585,179</u>	<u>687,504</u>
Total Fund Balances	\$ 585,179	\$ 687,504
Total Liabilities and Fund Balances:	<u>\$ 604,222</u>	<u>\$ 709,166</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, 2014

	Total Reserves	
	Actuarial Value	Market Value
<b>Net Assets as of 12/31/2012</b>	\$ 564,058	\$ 585,179
<b>Contributions and Disbursements:</b>		
City Contributions	\$ 41,619	\$ 41,619
Employee Contributions	116	116
Pension Payments	(45,223)	(45,223)
Contribution Refunds	-	-
Expenses	(3,366)	(3,366)
Net Contributions and Disbursements	\$ (6,854)	\$ (6,854)
<b>Investment Return:</b>		
Interest & Dividends	\$ 11,479	\$ 11,479
Realized Gain (Loss)	27,439	27,439
Unrealized Gain (Loss)	35,466	70,261
Total Investment Return	\$ 74,384	\$ 109,179
<b>Net Income:</b>	\$ 67,530	\$ 102,325
<b>Net Assets as of 12/31/2013</b>	\$ 631,588	\$ 687,504
Approximate Rate of Return	13.3%	18.8%

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

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### Investment Gain/(Loss)

January 1, 2014

	01/01/2014	01/01/2013	01/01/2012	01/01/2011
1. Date of Actuarial Value of Assets:	01/01/2014	01/01/2013	01/01/2012	01/01/2011
2. Market Value as of Prior Year (including receivable contributions)	\$ 585,179	\$ 529,702	\$ 557,783	\$ 509,558
3. Receivable Contribution included above	\$ -	\$ -	\$ -	\$ -
4. Market Value Excluding Receivable (2) - (3)	\$ 585,179	\$ 529,702	\$ 557,783	\$ 509,558
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)	\$ 41,735	\$ 21,807	\$ 18,770	\$ 21,018
6. Benefit Distributions	\$ 45,223	\$ 38,619	\$ 37,094	\$ 38,428
7. Administrative Expenses	\$ 3,366	\$ 3,084	\$ 3,088	\$ 2,948
8. Expected Return %	8.00%	8.00%	8.00%	8.00%
a. Item (4) for 1 year	\$ 46,814	\$ 42,376	\$ 44,623	\$ 40,765
b. Item (3) for partial & (5) for 1/2 year	1,637	855	736	825
c. Item (6) for 1/2 year	(1,774)	(1,515)	(1,455)	(1,508)
d. Item (7) for 1/2 year	(132)	(121)	(121)	(116)
	\$ 46,545	\$ 41,595	\$ 43,783	\$ 39,966
9. Expected Market Value (2)+(5)-(6)-(7)+(8)	\$ 624,870	\$ 551,401	\$ 580,154	\$ 529,166
10. Actual Market Value this Year (including receivable contributions)	\$ 687,504	\$ 585,179	\$ 529,702	\$ 557,783
11. Investment Gain/(Loss) from Experience	\$ 62,634	\$ 33,778	\$ (50,452)	\$ 28,617

# General Employees' Pension Plan for the City of Tampa

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## Actuarial Value of Assets

January 1, 2014

5 -YEAR SMOOTHED MARKET VALUE WITHOUT PHASE-IN	<b>01/01/2014</b>
1. Market Value of Assets	\$ 687,504
2. Investment Gains/(Losses) for Four Prior Years	
a. Jan-13	\$ 62,634
b. Jan-12	33,778
c. Jan-11	(50,452)
d. Jan-10	28,617
3. Unrecognized Investment Gains/(Losses)	
a. Jan-13 80% of (2)(a)	\$ 50,107
b. Jan-12 60% of (2)(b)	20,267
c. Jan-11 40% of (2)(c)	(20,181)
d. Jan-10 20% of (2)(d)	<u>5,723</u>
e. Total: (a)+(b)+(c)+(d)	\$ 55,916
4. Preliminary Actuarial Value of Assets = (1) - (3)(e)	\$ 631,588
5. Adjustment to be within 20% of market value	\$ -
6. Actuarial Value of Assets = (4) + (5)	\$ 631,588

## 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, 2014

	<u>Actuarial Value Allocated in Proportion to Market Value</u>	<u>Market Value</u>
Reserve for DROP	\$ 16,357	\$ 17,805
Reserve for Other Retirement Benefits	<u>615,231</u>	<u>669,699</u>
Total Fund Balances	\$ 631,588	\$ 687,504

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

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

January 1, 2014

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>01/01/2013</u>	<u>01/01/2014</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS*</b>	\$ 545,524,000	\$ 615,231,000
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>		
Vested Benefits		
Participants Currently Receiving Payments	\$ 443,363,473	\$ 456,272,989
All Other Participants	<u>142,062,583</u>	<u>165,115,195</u>
<b>TOTAL VESTED BENEFITS</b>	<b>\$ 585,426,056</b>	<b>\$ 621,388,184</b>
Percent Funded	93.2%	99.0%
<b>NONVESTED BENEFITS</b>	4,695,077	4,571,950
<b>TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>	<b><u>\$ 590,121,133</u></b>	<b><u>\$ 625,960,134</u></b>
Percent Funded	92.4%	98.3%

\* 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, 2014

	<u>01/01/2013</u>	<u>01/01/2014</u>
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF PRIOR VALUATION DATE</b>	\$ 575,167,048	\$ 590,121,133
Increase (Decrease) During the Year Attributable to:		
Increase for Interest Due to the Decrease in the Discount Period	\$ 44,468,604	\$ 45,400,771
Benefits Paid	(38,619,000)	(45,223,000)
Benefits Accumulated, Turnover, Other Experience	9,104,481	35,661,230
Correction of Data Input	-	-
Change in Actuarial Assumptions	-	-
Plan Amendment	-	-
Net Increase (Decrease)	\$ 14,954,085	\$ 35,839,001
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF CURRENT VALUATION DATE</b>	<b>\$ 590,121,133</b>	<b>\$ 625,960,134</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, 2014

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 Accrued Liability b4*	Unfunded Actuarial Liability (b4) - a*	Funded Ratio a/(b4)	Covered Payroll c	Unfunded as a Percent of Covered Payroll ((b4)-a)/c
10/01/1992	\$ 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%
10/01/1993	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%
10/01/1994	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%
10/01/1995	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%
10/01/1996	336,863,410	353,504,088	20,551,833	0	332,952,255	-3,911,155	101.2%	93,401,488	(4.2%)
10/01/1997	403,815,271	368,963,172	19,601,936	0	349,361,236	-54,454,035	115.6%	97,322,175	(56.0%)
10/01/1998	412,365,783	384,925,078	18,577,327	0	366,347,751	-46,018,032	112.6%	100,965,022	(45.6%)
10/01/1999	467,501,887	449,177,030	13,994,576	0	435,182,454	-32,319,433	107.4%	107,938,100	(29.9%)
10/01/2000	513,742,756	480,965,319	11,405,655	0	469,559,664	-44,183,092	109.4%	113,174,936	(39.0%)
10/01/2001	481,775,743	492,938,032	10,133,296	1,030,862	481,773,874	-1,869	100.0%	116,850,637	0.0%
01/01/2002	491,298,000	502,926,996	9,887,269	1,743,632	491,296,095	-1,905	100.0%	122,989,704	0.0%
01/01/2003	460,207,000	518,840,794	8,851,979	49,783,326	460,205,489	-1,511	100.0%	128,239,297	0.0%
01/01/2004	473,376,000	551,198,256	7,781,757	69,382,227	474,034,272	658,272	99.9%	135,255,510	0.5%
01/01/2005	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%
01/01/2006	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%
01/01/2007	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%
01/01/2008	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%
01/01/2009	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%
01/01/2010	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%
01/01/2011	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%
01/01/2012	554,594,000	748,327,377	805,056	185,952,985	561,569,336	6,975,336	98.8%	134,754,408	5.2%
01/01/2013	545,524,000	762,449,840	621,248	210,070,764	551,757,828	6,233,828	98.9%	134,966,745	4.6%
01/01/2014	615,231,000	717,223,029	105,881	98,653,449	618,463,699	3,232,699	99.5%	126,718,871	2.6%

\* 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**

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

January 1, 2014

	Plan Year Ended		
	Final <u>09/30/2013</u>	Estimated <u>09/30/2014</u>	Estimated <u>9/30/2015***</u>
<b>Annual Required Contribution (ARC):</b>			
1. Normal Cost (as for State Minimum Required Contribution)	\$ 18,932,994	\$ 21,648,666	N/A
2. Net Amortization Charge	1,206,211	1,206,211	N/A
3. Expenses	3,445,000	3,441,000	N/A
4. Minimum Required City Contribution*	N/A	N/A	N/A
5. Change in Past Excess Contributions Account	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
6. Annual Required Contribution = (1) + (2) + (3) + (4) + (5)	\$ 23,584,205	\$ 26,295,877	N/A
<b>Annual Pension Cost (APC):</b>			
1. Annual Required Contribution	\$ 23,584,205	\$ 26,295,877	N/A
2. Interest on the Net Pension Obligation	4,238	71,028	N/A
3. Adjustment to the Annual Required Contribution**	<u>(4,562)</u>	<u>(78,855)</u>	<u>N/A</u>
4. Annual Pension Cost = (1) + (2) + (3)	\$ 23,583,881	\$ 26,288,050	N/A
<b>Net Pension Obligation (NPO):</b>			
1. Net Pension Obligation at End of Prior Year	\$ 52,973	\$ 887,848	N/A
2. Annual Pension Cost	\$ 23,583,881	\$ 26,288,050	N/A
3. Actual Employer Contribution	\$ 22,780,522	Pending	N/A
4. Change in Net Pension Obligation = (2) – (3)	\$ 803,359	Pending	N/A
5. Interest on (4) to End of Year	\$ 31,516	Pending	N/A
6. Net Pension Obligation = (1) + (4) + (5)	\$ 887,848	Pending	N/A
<b>Average Remaining Service Life of Active Members</b>	12.540	12.160	8.940

\*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.

\*\*\*The City will be reporting under GASB 68 for fiscal year end 9/30/2015, GASB 27 will not be applicable.

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

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

January 1, 2014

Fiscal Year Ending	Annual Required Cost (ARC)* a	City Contributions Made b	Percentage of ARC Contributed b / a	Annual Pension Cost (APC) c	Percentage of APC Contributed b / c	Net Pension Obligation
09/30/1993	4,866,096	4,872,255	100.1%	N/A	N/A	N/A
09/30/1994	4,928,175	4,936,058	100.2%	N/A	N/A	N/A
09/30/1995	6,408,113	6,408,113	100.0%	N/A	N/A	N/A
09/30/1996	3,157,691	3,157,691	100.0%	N/A	N/A	\$ -
09/30/1997	1,094,111	1,098,067	100.4%	\$ 1,094,111	100.4%	(3,956)
09/30/1998	1,084,360	1,104,767	101.9%	1,085,384	101.8%	(23,339)
09/30/1999	1,287,778	1,282,454	99.6%	1,288,052	99.6%	(17,741)
09/30/2000	1,785,029	1,745,401	97.8%	1,785,175	97.8%	22,033
09/30/2001	1,871,568	1,868,734	99.8%	1,870,807	99.9%	24,187
09/30/2002	1,272,502	1,271,965	100.0%	1,271,674	100.0%	23,885
09/30/2003	1,598,297	1,556,922	97.4%	1,597,474	97.5%	66,028
09/30/2004	6,767,000	6,773,652	100.1%	6,764,713	100.1%	56,738
09/30/2005	8,216,229	8,281,000	100.8%	8,214,223	100.8%	(12,659)
09/30/2006	11,396,961	11,414,000	100.1%	11,397,445	100.1%	(29,863)
09/30/2007	15,110,329	15,058,000	99.7%	15,111,473	99.6%	25,708
09/30/2008	14,207,076	14,202,000	100.0%	14,206,094	100.0%	29,963
09/30/2009	12,064,170	12,138,000	100.6%	12,063,019	100.6%	(47,960)
09/30/2010 **	19,482,521	20,529,000	105.4%	19,484,467	105.4%	(1,133,470)
09/30/2011	18,435,441	18,418,002	99.9%	18,482,147	99.7%	(1,066,809)
09/30/2012	22,355,965	21,285,134	95.2%	22,362,645	95.2%	52,973
09/30/2013	23,584,205	22,780,522	96.6%	23,583,881	96.6%	887,848
09/30/2014 ***	26,295,877	Pending	Pending	26,288,050	Pending	Pending
09/30/2015 ****	N/A	N/A	N/A	N/A	N/A	N/A

\* 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, 2014						
	Active	DROP	Terminated		Retired	Beneficiaries	Total
			Vested	Disabled			
<b>January 1, 2013</b>	<b>32</b>	<b>86</b>	<b>8</b>	<b>32</b>	<b>806</b>	<b>402</b>	<b>1,303</b>
New Entrants							-
Retirements	(1)	(25)	(1)		27		-
Disabilities							-
Terminations							-
a) Not vested							-
b) Vested	(1)		1				-
DROP enrollments	(6)	6					-
Deaths				(5)	(25)	(24)	(54)
New Beneficiaries					(18)	18	-
Benefits Expired							-
Other			1				1
<b>January 1, 2014</b>	<b>24</b>	<b>67</b>	<b>9</b>	<b>27</b>	<b>790</b>	<b>396</b>	<b>1,250</b>
<b>Average Age</b>	<b>54.5</b>	<b>59.9</b>	<b>51.4</b>	<b>69.7</b>	<b>73.3</b>	<b>79.0</b>	

#### 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

#### Active Participants as of January 1, 2014

	Males	Females	Total
Number of Participants	15	9	24
Average Age Nearest Birthday	54.6	54.1	54.4
Average Completed Years of Service	35.1	35.7	35.3
Average Compensation for Prior Year	\$60,279	\$55,569	\$58,513

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

### Participant Data Summary (Continued)

Division B	January 1, 2014						
	Active	DROP	Terminated		Retired	Beneficiaries	Total
			Vested	Disabled			
<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>
New Entrants	175						175
Retirements	(25)	(28)	(19)		72		-
Disabilities	(3)		(1)	4			-
Terminations							
a) Not vested	(70)						(70)
b) Vested	(51)		51				-
DROP enrollments	(44)	44					-
Deaths	(3)			(1)	(15)		(19)
New Beneficiaries						6	6
Benefits Expired							-
Other	2		4				6
<b>January 1, 2014</b>	<b>2,335</b>	<b>130</b>	<b>538</b>	<b>42</b>	<b>537</b>	<b>93</b>	<b>3,675</b>
<b>Average Age</b>	<b>46.6</b>	<b>64.6</b>	<b>50.0</b>	<b>56.8</b>	<b>69.6</b>	<b>66.9</b>	

### 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

### Active Participants as of January 1, 2014

	Males	Females	Total
Number of Participants	1495	840	2335
Average Age Nearest Birthday	46.9	46.1	46.6
Average Completed Years of Service	13.9	14.2	14.0
Average Compensation for Prior Year	\$52,187	\$47,232	\$50,404

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

### Participant Data Summary (Continued)

Total	January 1, 2014						Total
	Active	DROP	Terminated Vested	Disabled	Retired	Beneficiaries	
<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>
New Entrants	175	-	-	-	-	-	175
Retirements	(26)	(53)	(20)	-	99	-	-
Disabilities	(3)	-	(1)	4	-	-	-
Terminations							
a) Not vested	(70)	-	-	-	-	-	(70)
b) Vested	(52)	-	52	-	-	-	-
DROP enrollments	(50)	50	-	-	-	-	-
Deaths	(3)	-	-	(6)	(40)	(24)	(73)
New Beneficiaries	-	-	-	-	(18)	24	6
Benefits Expired	-	-	-	-	-	-	-
Other	2	-	5	-	-	-	7
<b>January 1, 2014</b>	<b>2,359</b>	<b>197</b>	<b>547</b>	<b>69</b>	<b>1,327</b>	<b>489</b>	<b>4,988</b>
<b>Average Age</b>	<b>46.7</b>	<b>63.0</b>	<b>50.0</b>	<b>61.8</b>	<b>71.8</b>	<b>76.7</b>	

### 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

### Active Participants as of January 1, 2014

	Males	Females	Total
Number of Participants	1510	849	2359
Average Age Nearest Birthday	47.0	46.2	46.7
Average Completed Years of Service	14.1	14.4	14.2
Average Compensation for Prior Year	\$52,267	\$47,320	\$50,486

# General Employees' Pension Plan for the City of Tampa

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## Age and Service Distribution

January 1, 2014

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	8	8
55-59	0	0	0	0	0	0	6	6
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	15	15

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

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### Age and Service Distribution (Continued)

January 1, 2014

#### Division A Females

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	8	8
55-59	0	0	0	0	0	0	1	1
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	9	9

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

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### Age and Service Distribution (Continued)

January 1, 2014

#### Division B Males

Age	Years of Service						Total	
	0-4	5-9	10-14	15-19	20-24	25-29		30+
<b>Under 25</b>	34	5	0	0	0	0	0	39
<b>25-29</b>	34	35	5	0	0	0	0	74
<b>30-34</b>	54	42	23	8	0	0	0	127
<b>35-39</b>	47	38	25	13	9	0	0	132
<b>40-44</b>	48	44	49	37	26	9	0	213
<b>45-49</b>	40	53	53	42	30	39	14	271
<b>50-54</b>	35	43	48	35	34	46	35	276
<b>55-59</b>	20	32	28	45	24	40	37	226
<b>60-64</b>	14	18	23	7	17	19	15	113
<b>65 and over</b>	4	5	7	4	1	2	1	24
<b>Total</b>	330	315	261	191	141	155	102	1495

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

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### Age and Service Distribution (Continued)

January 1, 2014

#### Division B Females

Age	Years of Service						Total	
	0-4	5-9	10-14	15-19	20-24	25-29		30+
<b>Under 25</b>	31	8	0	0	0	0	0	39
<b>25-29</b>	32	16	2	0	0	0	0	50
<b>30-34</b>	25	20	14	3	1	0	0	63
<b>35-39</b>	31	22	17	7	2	1	0	80
<b>40-44</b>	20	26	21	20	15	5	0	107
<b>45-49</b>	25	23	29	23	19	26	12	157
<b>50-54</b>	16	23	22	16	19	41	15	152
<b>55-59</b>	20	17	16	9	15	22	32	131
<b>60-64</b>	7	10	5	3	2	9	11	47
<b>65 and over</b>	2	1	3	1	1	2	4	14
<b>Total</b>	209	166	129	82	74	106	74	840

## 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, 2014

#### Actual Salary Increases

Year Ended		
	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%
	December 31, 2013	2.2%
	Last 3 Years, Compounded	2.1%
	Last 5 Years, Compounded	2.1%

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 a graded scale going from 10.0% per year at age 15 to 2.0% at age 70. (Prior to the January 1, 2014, Valuation, the salary scale assumption was 6.0% per year and 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, 2014

#### Actual Investment Return

<b>Year Ended</b>	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%	
	December 31, 2013	13.3%	
	Last 3 Years, Compounded	5.7%	
	Last 5 Years, Compounded	7.3%	

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, 2014

	01/01/2013 Division A	01/01/2013 Division B	01/01/2013 Total	01/01/2014 Division A	01/01/2014 Division B	01/01/2014 Total
<b>A. Participant Data</b>						
Number Included						
Active Members	32	2354	2386	24	2335	2359
Retired Members, Beneficiaries and DROP	1294	681	1975	1253	760	2013
Disabled Members	32	39	71	27	42	69
Terminated members with Vested Benefits	8	503	511	9	538	547
	1366	3577	4943	1313	3675	4988
 Total Annual Payroll of Active Members Included (Under Maximum Assumed Retirement Age, Projected for Upcoming Plan Year)	\$ 2,064,251	\$ 132,902,494	\$ 134,966,745	\$ 1,488,107	\$ 125,230,764	\$ 126,718,871
 Total Annual Payment of Benefits to Retired Members, Beneficiaries and DROP	\$ 33,202,459	\$ 7,136,504	\$ 40,338,963	\$ 33,560,460	\$ 8,288,031	\$ 41,848,491
 Total Annual Payment of Benefits to Disabled Members	\$ 634,864	\$ 470,185	\$ 1,105,049	\$ 576,126	\$ 414,133	\$ 990,259
 Total Annual Payment of Benefits at Retirement to Terminated Vested Members	\$ 269,367	\$ 4,371,049	\$ 4,640,416	\$ 274,444	\$ 4,711,130	\$ 4,985,574
 Active Employee Contributions to Date (No Interest is Credited)	\$ 2,541,443	\$ 21,428	\$ 2,562,871	\$ 2,035,112	\$ 20,953	\$ 2,056,065

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

### State Required Exhibit (Continued)

	01/01/2013 Division A	01/01/2013 Division B	01/01/2013 Total	01/01/2014 Division A	01/01/2014 Division B	01/01/2014 Total
<b>B. Assets</b>						
Actuarial Value	N/A	N/A	\$ 545,524,000	N/A	N/A	\$ 615,231,000
Market Value	N/A	N/A	\$ 565,951,000	N/A	N/A	\$ 669,699,000
<b>C. Liabilities</b>						
Present Value of Future Expected Benefits						
Actives						
Retirement	\$ 13,755,671	\$ 235,632,973	\$ 249,388,644	\$ 11,948,494	\$ 176,476,439	\$ 188,424,933
Vesting	221,911	8,292,855	8,514,766	569,564	22,401,599	22,971,163
Disability	556,654	24,101,342	24,657,996	82,116	10,909,676	10,991,792
Death	121,363	8,231,228	8,352,591	17,635	6,015,204	6,032,839
Return of Employee Contributions	*	*	*	*	*	*
Total	\$ 14,655,599	\$ 276,258,398	\$ 290,913,997	\$ 12,617,809	\$ 215,802,918	\$ 228,420,727
Retired & Disabled Members / Beneficiaries						
Terminated Vested Members	\$ 365,391,884	\$ 77,971,589	\$ 443,363,473	\$ 363,987,418	\$ 92,285,571	\$ 456,272,989
	2,997,324	25,175,046	28,172,370	3,795,030	28,734,283	32,529,313
Total	\$ 383,044,807	\$ 379,405,033	\$ 762,449,840	\$ 380,400,257	\$ 336,822,772	\$ 717,223,029
Liabilities Due and Unpaid						
Entry Age Normal Accrued Liability	\$ 382,245,648	\$ 297,591,858	\$ 679,837,506	\$ 380,229,703	\$ 297,821,902	\$ 678,051,605
Unfunded Entry Age Normal Accrued Liability	N/A	N/A	\$ 134,313,506	N/A	N/A	\$ 62,820,605
Liabilities at FRS Discount Rate						
Discount Rate	N/A	N/A	7.75%	N/A	N/A	7.75%
Entry Age Normal Accrued Liability	N/A	N/A	\$ 698,321,384	N/A	N/A	\$ 695,683,530
Unfunded Entry Age Normal Accrued Liability	N/A	N/A	\$ 152,797,384	N/A	N/A	\$ 80,452,530
Liabilities at 200 BP below Funding Discount Rate						
Discount Rate	N/A	N/A	N/A	N/A	N/A	6.00%
Entry Age Normal Accrued Liability	N/A	N/A	N/A	N/A	N/A	\$ 843,235,665
Unfunded Entry Age Normal Accrued Liability	N/A	N/A	N/A	N/A	N/A	\$ 228,004,665

\* Included in above benefits where applicable

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

### State Required Exhibit (Continued)

	01/01/2013 Division A	01/01/2013 Division B	01/01/2013 Total	01/01/2014 Division A	01/01/2014 Division B	01/01/2014 Total
<b>D. GASB 25 - Funding Progress</b>						
1. Actuarial Present Value of Future Benefits	\$ 383,044,807	\$ 379,405,033	\$ 762,449,840	\$ 380,400,257	\$ 336,822,772	\$ 717,223,029
2. Present Value of Future Employee Contributions	621,248	-	621,248	105,881	-	105,881
3. Present Value of Future City Normal Costs	N/A	N/A	210,070,764	N/A	N/A	98,653,449
4. Actuarial Accrued Liability = (1) - (2) - (3)	N/A	N/A	551,757,828	N/A	N/A	618,463,699
5. Actuarial Value of Assets	N/A	N/A	545,524,000	N/A	N/A	615,231,000
6. Unfunded Actuarial Accrued Liability = (4) - (5)	N/A	N/A	\$ 6,233,828	N/A	N/A	\$ 3,232,699
7. Funded Ratio = (5) / (4)	N/A	N/A	98.9%	N/A	N/A	99.5%
8. Unfunded as a Percent of Covered Payroll	N/A	N/A	4.6%	N/A	N/A	2.6%

E. GASB 27 - Net Pension Obligation and Annual Pension Cost	Final	Plan Year Ended	Estimated
	09/30/2012	Final 09/30/2013	09/30/2014
Net Pension Obligation			
1. Net Pension Obligation at End of Prior Year	\$ (1,066,809)	\$ 52,973	\$ 887,848
2. Annual Pension Cost	22,362,645	23,583,881	26,288,050
3. Actual Employer Contribution	21,285,134	22,780,522	Pending
4. Interest on (2) - (3)	42,271	31,516	Pending
Net Pension Obligation = (1) + (2) - (3) + (4)	\$ 52,973	\$ 887,848	Pending
Annual Pension Cost			
	Final 09/30/2013	Plan Year Ended Estimated 09/30/2014	Estimated 09/30/2015
1. Annual Required Contribution	\$ 23,584,205	\$ 26,295,877	N/A
2. Interest on Net Pension Obligation	4,238	71,028	Pending
3. Adjustment to the Annual Required Contribution*	(4,562)	(78,855)	Pending
Annual Pension Cost = (1) + (2) + (3)	\$ 23,583,881	\$ 26,288,050	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)

	09/30/2013 Division A	09/30/2013 Division B	09/30/2013 Total	09/30/2014 Division A	09/30/2014 Division B	09/30/2014 Total
<b>F. Statement of Required Contributions for Year Ended</b>						
Projected Compensation for Year Ended	\$ 2,406,791	\$ 132,347,617	\$ 134,754,408	\$ 2,064,251	\$ 132,902,494	\$ 134,966,745
Minimum Required City Contribution						
i. Estimated Dollars, from Actuarial Valuation	N/A	N/A	\$ 23,633,114	N/A	N/A	\$ 26,270,308
ii. Percentage of Participants' Compensation			17.5%			19.5%
iii. Actual Compensation Under MRA for Plan Year			\$ 124,058,084 *			Pending
iv. Required, per new state interpretation = (ii.) x (iii.)			\$ 21,710,165			Pending
Expected Member Contributions**	\$ 168,475	\$ -	\$ 168,475	\$ 144,498	\$ -	\$ 144,498
% of Expected Payroll	7.0%	0.0%	0.1%	7.0%	0.0%	0.1%
Actual City Contribution	N/A	N/A	\$ 22,780,522	N/A	N/A	Pending
% of Expected Payroll			16.9%			Pending
Actual Member Contributions	\$ 126,445	\$ -	\$ 126,445	Pending	\$ -	Pending
% of Expected Payroll	5.3%	0.0%	0.1%	Pending	0.0%	Pending
<b>G. Net Actuarial Gain (Loss)</b>						
	01/01/2013	01/01/2013	01/01/2013	01/01/2014	01/01/2014	01/01/2014
	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***	\$ 11,008,520	\$ 1,349,875,367	\$ 1,360,883,887	\$ 2,971,135	\$ 915,401,704	\$ 918,372,839
Future Employee Contributions***	\$ 621,248	\$ -	\$ 621,248	\$ 105,881	\$ -	\$ 105,881
Actuarial Present Value of Accumulated Benefits						
Vested Benefits	N/A	N/A	\$ 585,426,056	N/A	N/A	\$ 621,388,184
All Benefits	N/A	N/A	\$ 590,121,133	N/A	N/A	\$ 625,960,134
Liabilities at FRS Discount Rate			7.75%			7.75%
Vested Benefits	N/A	N/A	\$ 600,361,454	N/A	N/A	\$ 637,013,122
All Benefits	N/A	N/A	\$ 605,145,338	N/A	N/A	\$ 641,670,591
Liabilities at 200 BP Lower Discount Rate			6.00%			6.00%
Vested Benefits	N/A	N/A	N/A	N/A	N/A	\$ 768,584,096
All Benefits	N/A	N/A	N/A	N/A	N/A	\$ 773,912,636

\* 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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## Reconciliation of DROP Participants and Assets

January 1, 2014

	DROP	
	Division A	Division B
Participants as of 01/01/2013	86	114
New DROP Members	6	44
New DROP's, Withdrew during Year	0	0
All Other Withdrawals	(25)	(28)
Corrections	0	0
Participants as of 01/01/2014	67	130

	Total
Assets as of 01/01/2013	\$19,228,240.38
Payments into DROP	5,384,274.63
Earnings	1,480,855.45
Distributions	(8,284,793.36)
Expenses	(3,645.00)
Adjustments	0.00
Assets as of 01/01/2014	\$17,804,932.10

# General Employees' Pension Plan For the City of Tampa

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## Summary of Major Plan Provisions

January 1, 2014

**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, 2014

### 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:

#### Probability of Disability

##### Age

20	.09%
30	.11%
40	.15%
50	.33%
60	1.18%

#### Probably of Withdrawal

Age	Years of Service			
	1	2	3	4+
20	38.60%	38.60%	38.60%	19.30%
30	19.40%	19.40%	19.40%	9.70%
40	9.00%	9.00%	9.00%	4.50%
50	10.00%	10.00%	10.00%	5.00%
60	10.00%	10.00%	10.00%	5.00%

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

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**Salary Scale:** Samples of future salary increases per year are shown below:

Age	Rate
15	10.0%
20	9.0%
25	8.0%
30	7.0%
35	6.0%
40	5.0%
45	4.5%
50	4.0%
55	3.5%
60	3.0%
65	2.5%
70	2.0%

**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 2% increase assumption is applied.

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

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

	Division A	Division B
<b>Age</b>		
55	0.95	0.05
56	0.85	0.05
57	0.40	0.05
58	0.50	0.05
59	0.20	0.10
60	0.60	0.10
61	0.70	0.25
62	0.90	0.50
63	0.10	0.35
64	0.10	0.35
65	0.70	0.35
66	1.00	0.50
67	1.00	0.40
68	1.00	0.50
69	1.00	0.20
70 (max.)	1.00	1.00

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

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

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

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**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:** 70% of all active male participants are assumed to be married; 55% 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%

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.

# General Employees' Pension Plan For the City of Tampa

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## 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:** There were no changes to the Actuarial Cost Method.

We performed an experience study on the assumptions this year and have changed the following assumptions to agree with our findings.

Probability of Withdrawal was changed to using a select and ultimate table from just an ultimate table.

Salary Scale was changed from a 6% assumption for all ages to an age graded table that starts at 10% at age 15 and grades to 2% at age 70.

The Retirement Rates have been adjusted to agree with prior experience.

The timing of the contribution has been changed from quarterly throughout the year to the beginning of the fiscal year.

Marital Status has been changed from 85% of all active males to 70% and from 65% of all active females to 55%.

**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, 2014

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.