

Jacksonville Police and Fire Pension Fund

ACTUARIAL VALUATION REPORT AS OF
OCTOBER 1, 2023

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





April 12, 2024

Board of Trustees
Jacksonville Police and Fire Pension Fund
Jacksonville, Florida

Re: Jacksonville Police and Fire Pension Fund Actuarial Valuation as of October 1, 2023 and Actuarial Disclosures

Dear Trustees:

The results of the October 1, 2023 Annual Actuarial Valuation of the Jacksonville Police and Fire Pension Fund are presented in this report.

The computed contribution rates shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the Fund in excess of those presented in this report be considered.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions, as the assessment of these risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the Fund's financial condition.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Fund's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2025, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The findings in this report are based on data through July 1, 2023 and financial information through September 30, 2023. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or

demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Fund's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The actuarial information for GASB Statement No. 67 is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes. Our calculation of the Net Pension Liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 67. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 67 may produce significantly different results.

The valuation was based upon information furnished by the Executive Director concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Executive Director.

In addition, this report was prepared using certain assumptions and methods approved by the Board and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Methods. The investment return assumption was prescribed by the Board. The mortality rates were prescribed by law in accordance with Florida House Bill 1309 (codified in Chapter 2015-157). The prescribed methods include the use of an initial 30-year amortization period for amortizing the unfunded liability as required under Florida Statute 112.64(6)(a), the recognition of the present value of future Pension Liability Surtax proceeds as required by Florida Statute 112.64(6), and the use of a payroll growth assumption to amortize the unfunded liability as required under Florida Statute 112.64(6)(b). Additional information and disclosures regarding these prescribed methods can be found on pages 4 and 5 of this actuarial valuation report. The combined effect of the actuarial assumptions used in this report, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., not significantly optimistic or pessimistic).

This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general



operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Jacksonville Police and Fire Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Peter N. Strong and Jeffrey Amrose are members of the American Academy of Actuaries. These actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices, with some exceptions noted on pages 4 and 5 under the section entitled "Disclosures Regarding the Pension Liability Surtax and Florida Statute 112.64(6)." There is no benefit or expense to be provided by the plan and/or paid from the Fund's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY



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



Jeffrey Amrose, FCA, MAAA
Enrolled Actuary No. 23-6599
Senior Consultant & Actuary



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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Closed Plan

In reviewing this Report, it is important for the reader to keep in mind that this Fund has been closed to new members since October 1, 2017. One consequence of this closure is that the annual payment on the unfunded accrued liability will tend to increase as a percentage of covered payroll over time, as such payroll decreases from year to year. Starting with the fiscal year ending September 30, 2018, it is our understanding that the Plan sponsor has been and will continue to be contributing the dollar amount of the calculated required employer contribution.

Comparison of Required Employer Contributions

The required employer contribution developed in this year's valuation is compared below to the last valuation.

	For FYE 9/30/25 Based on 10/1/2023 Valuation (if contributed on 10/1/2024)	For FYE 9/30/24 Based on 10/1/2022 Valuation (if contributed on 12/1/2023)
Required Employer Contribution*	\$ 178,068,316	\$ 174,039,920
As % of Contribution Year Payroll	110.23 %	104.43 %

*This does not reflect the potential use of reserves that have been allocated to the City that may be used to offset the City's required contribution amount. Approximately \$5.8 million in reserves are available for use by the City as of October 1, 2023.

For FYE 9/30/2025 (calculated as of 10/1/2023), if the Pension Liability Surtax did not exist, the required City contribution would be \$275.54 million (assuming no other assumption or method changes).

Payment of Required Contribution

The required employer contributions developed in this valuation have been calculated as though the payment is contributed on October 1 (effective with the October 1, 2023 actuarial valuation).

The actual total employer contributions recognized for the year ending September 30, 2023 were \$156,993,838, which included \$156,847,592 in actual City contributions plus the use of \$146,246 of the City contribution reserve. The required employer contributions for the year ending September 30, 2023 were \$156,993,838.

Revisions in Benefits

There have been no changes in benefits since the previous valuation.



Revisions in Funding Policy

There have been no changes in funding policy since the previous valuation.

Revisions in Actuarial Assumptions and Methods

The amortization period for new amortization bases is reduced from 25 years to 24 years this year, and it will continue to be reduced by one year each year until reaching 15 years.

There have been no changes in actuarial assumptions or methods since the previous valuation.

Actuarial Experience

There were net actuarial experience losses totaling approximately \$78.9 million during the past year, which means that actual experience was less favorable than expected.

Investment experience (on the net Actuarial Value of Assets) resulted in an experience loss (net of reserves) of about \$53.5 million. The investment return on the smoothed Actuarial Value of Assets was 4.21% compared to the assumed annual investment return of 6.50%. (The net money-weighted investment return on the Market Value of Assets was 13.70%, as reported by the Plan's investment consultant.) Investment gains and losses are spread over a five-year smoothing period, with gains and losses from prior years being smoothed into the current year.

Experience from demographic sources resulted in a net experience loss of about \$55.5 million. There were demographic experience losses due to higher salary increases than expected (6.7% actual versus 4.4% assumed) (approximately \$29.8 million of the experience loss), higher retirement experience than expected (117 actual retirements versus 92 expected) (approximately \$7.4 million of the experience loss), lower inactive mortality experience than expected (approximately \$12.8 million of the experience loss), and data adjustments (primarily due to service purchases) (approximately \$6 million).

Offsetting a portion of the experience losses described above was an experience gain due to changes in the projected Pension Liability Surtax proceeds (of approximately \$30.1 million). This was primarily caused by a 6.41% increase in smoothed surtax revenue from FY 2022 to FY 2023. The surtax revenue is assumed to increase by 4.25% per year. In addition, the pro rata share of the Proceeds increased since the previous valuation. The allocation percentage is updated each year by the City based on the relative unfunded actuarial liabilities for all of the City's pension plans. Based on each pension plan's respective October 1, 2022 actuarial valuation, the pro rata share of the Proceeds for the Jacksonville Police and Fire Pension Fund is 59.0% as of October 1, 2022. In the previous valuation, the pro rata share of the Proceeds was 58.9%.

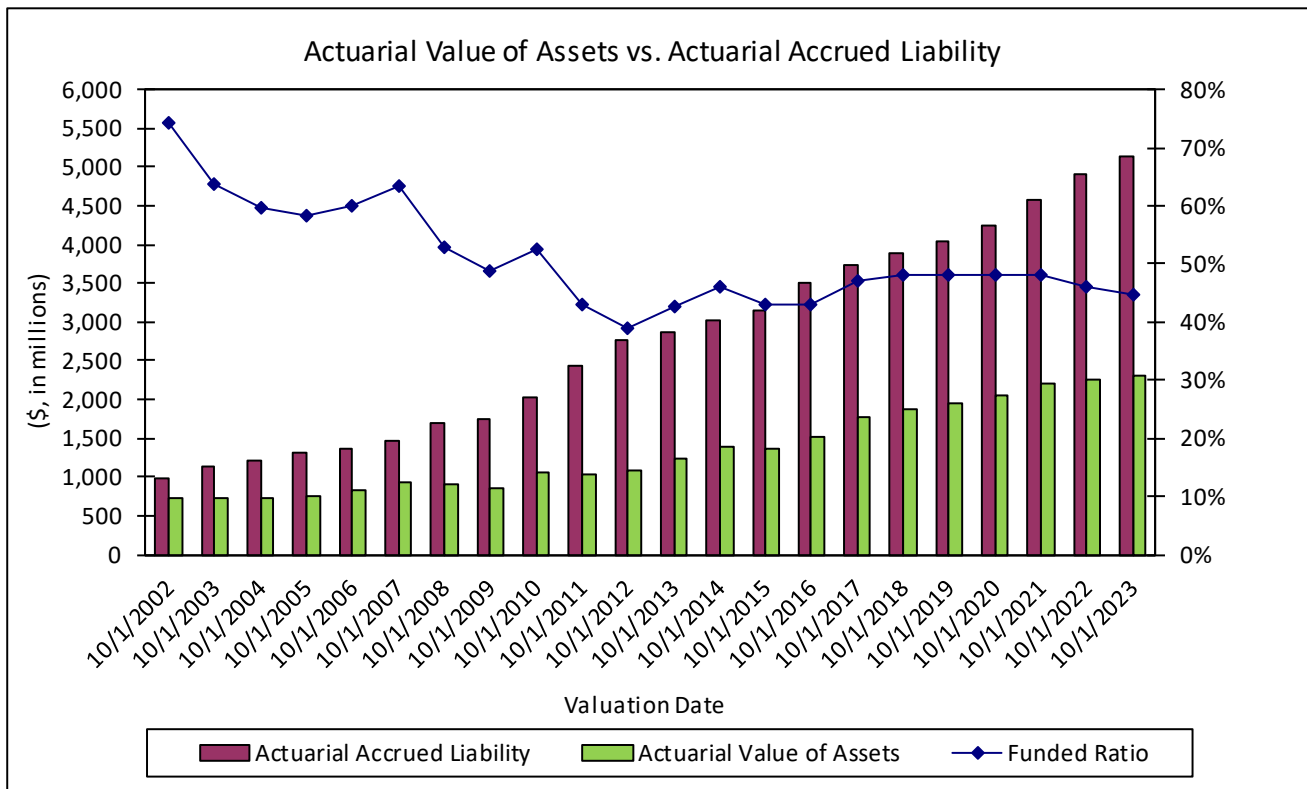
Overall, the net actuarial experience loss caused the required City contribution to increase by \$5,602,654.

Funded Ratio

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. This year's funded ratio is 44.74% compared to 45.95% last year. Below is a historical



comparison of the total actuarial value of assets versus the total actuarial accrued liability:



Analysis of Employer Contribution

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

Required Contribution Payable December 1, 2023	\$ 174,039,920
Experience (Gains) or Losses	
Investment Experience (Return on Actuarial Value of Assets)	3,799,805
Change in Projected Pension Liability Surtax Experience	(2,140,206)
Other Sources Experience	3,943,055
Revision in Assumptions	-
Revision in Methods	-
Amortization Payment on UAAL	321,110
Change in Net Employer Normal Cost	(1,894,692)
Administrative/Investment Expenses	(676)
Benefit Changes	-
Required Contribution Payable October 1, 2024	\$ 178,068,316

The change in the contribution amount attributed to the Amortization Payment on the UAAL was caused by the 1.25% payroll growth rate used in the UAAL amortization (UAAL payments are scheduled to increase by 1.25% per year) and the contribution lag (the contribution amount determined in the October 1, 2021 actuarial valuation was contributed during the fiscal year ending September 30, 2023).



Required Contributions in Later Years

It is important to keep in mind that under the asset smoothing method, gains and losses are recognized over five years. As of September 30, 2023, the actuarial value of assets exceeded the market value by \$105,210,461. This difference will be gradually recognized in the absence of offsetting gains. In turn, the computed employer contribution rate is expected to increase by approximately \$7.5 million.

Relationship to Market Value

If Market Value had been the basis for the valuation, the required City contribution would have been \$185,540,532 and the funded ratio would have been 42.69%. In the absence of other gains and losses or other changes, the City contribution rate is expected to increase towards this level over the next few years.

Disclosures Regarding the Pension Liability Surtax and Florida Statute 112.64(6)

The annual pension liability surtax revenue is projected to increase 4.25% annually from calendar year 2023 to calendar year 2060. This assumption was set by the City of Jacksonville. Assumptions regarding future growth in municipal sales tax revenues fall outside of our area of expertise. Since municipal finance projections fall outside of our area of expertise, we are unable to assess the reasonableness of the City's 4.25% annual surtax growth assumption. However, it should be noted that actual surtax revenue growth over the past seven years has exceeded this assumption (averaging 5.44% per year, reflecting smoothing effective with the October 1, 2022 actuarial valuation). It should also be noted that price inflation, as measured by the change in the CPI-U index, has been higher than assumed over the past seven years (averaging 3.53% per year versus the current assumption of 2.25%).

Ordinance 2017-257 implemented changes required to reflect the present value of the City of Jacksonville's pension liability surtax, in accordance with Florida Statute 112.64(6). Reflecting the pension liability surtax offsets the Fund's current UAAL by the present value of a future revenue stream (generated by the pension liability surtax) to be received by the Fund in calendar years 2031 through 2060. This delays the Fund's projected full funding date until almost the fiscal year 2060 and results in annual contributions to the Fund in fiscal years 2018 through 2030 which are significantly lower than the recommended contribution levels would be to ensure the Fund accumulates adequate assets to make all benefit payments (in the absence of the pension liability surtax). The maintenance of a minimum liquidity ratio (defined as the market value of assets divided by the annual benefit payments), which is 5.0 as described in Ordinance 2017-259, will likely help prevent an insolvency in the event the Fund incurs adverse experience, but this is dependent upon the minimum liquidity ratio being adhered to. A full analysis of the impact of the liquidity ratio was outside of the scope of this assignment.

We are unable to assess the risk that the timing and/or amount of future pension liability surtax proceeds may significantly deviate from the projections (due to legal challenges, economic hardships, or any other reason). Any such deviations could have a significant impact on the required contribution amount shown herein and on the future solvency risk that the Fund's future assets may be insufficient to cover all future benefit payments.

The long-term payroll growth assumption for purposes of amortizing the UAAL and projecting the contribution amount to the contribution year (the year beginning one year after the valuation date) is



1.25%. For a closed pension fund, it is our recommendation to use a 0% payroll growth assumption. Based on our understanding, Florida Statute 112.64(6)(b) requires the future payroll of police officers and firefighters expected to be hired after October 1, 2017 (who will not become members of the Fund) to be included when setting this assumption. This is a prescribed method under Florida Statutes for setting this assumption which deviates from our recommended practice for closed pension funds. The 1.25% assumption was set based on the projected 10-year compound average payroll growth rate through 2021. Please refer to our experience study report on the payroll growth assumption dated April 4, 2017 for additional information and background on this assumption.

In conjunction with offsetting the UAAL by the present value of the pension liability surtax, Florida Statute 112.64(6)(a) requires the use of an initial 30-year amortization period for amortizing the UAAL. It is important to note that the average expected future service of current active members is 7.73 years, which is far less than the required initial 30-year amortization period. Though required, a long amortization period carries more risk, especially in a closed plan, and the funded status could deteriorate in the short run. Furthermore, amortizing the UAAL over an initial period of 30 years (currently 24 years) is likely to transfer costs to future taxpayers, which would deviate from language in Florida Statute 112.61 which says *“Accordingly, except as herein provided, it is the intent of this act to prohibit the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.”* When combined with advance recognition of the pension liability surtax, it is our opinion that current costs are likely to be transferred to future taxpayers under this arrangement.

Conclusion

It is important to note that the Fund’s assets are insufficient to cover the actuarial liabilities for inactive members. As of October 1, 2023 the market value of assets, net of reserves, is approximately \$2.19 billion, and the actuarial liability for current inactive members is approximately \$3.93 billion. Given the low funded ratio and the fact that the pension liability surtax revenues will not be received until more than 7 years from now, it is advisable to consider making contributions to the Fund in excess of the minimum required contribution shown in this report.

In consideration of Actuarial Standard of Practice No. 51 regarding the assessment of risks, which is addressed on the next three pages, we recommend a numerical risk assessment to be conducted at least once every 3 to 5 years.

The remainder of this Report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data and summaries of Plan provisions.



RISKS ASSOCIATED WITH THE MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

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

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

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

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

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

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



PLAN MATURITY MEASURES

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

	<u>2023</u>	<u>2022</u>
Ratio of the net market value of assets to payroll	13.74	12.13
Ratio of actuarial accrued liability to payroll	32.18	30.18
Ratio of actives to retirees and beneficiaries	0.51	0.56
Ratio of net cash flow to market value of assets (net of reserves)	(2.6%)	(2.8%)
Duration of the actuarial accrued liability	14.94	14.99

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll. We note that this ratio for the Jacksonville Police and Fire Pension Fund (13.74) is higher than it is for most other plans we work with, which means the required contributions as a percentage of payroll are more volatile than most other plans.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

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

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll. We note that this ratio for the Jacksonville Police and Fire Pension Fund (32.18) is significantly higher than it is for most of the plans we work with, which means the changes in liability and required contributions are more volatile than most other plans.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0. This ratio for the Jacksonville Police and Fire Pension Fund (0.51) is less than 1.0, indicating it is super-mature. The fact that the Fund is closed has not had much impact on this ratio yet.



RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

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

DURATION OF ACTUARIAL ACCRUED LIABILITY

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. In consideration of the size of the Jacksonville Police and Fire Pension Fund and the long-term manner in which it is being funded (in part by pension liability surtax proceeds through 2060), we recommend a numerical risk assessment be conducted at least once every 3 to 5 years.

DISCLOSURE REQUIREMENTS – ACTUARIAL STANDARD OF PRACTICE (ASOP) NO. 4

LOW-DEFAULT-RISK OBLIGATION MEASURE

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

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

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

- A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: \$6,729,356,498
- B. Discount rate used to calculate the LDROM: 4.63% based on Fidelity’s “20-Year Municipal GO AA Index” as of September 29, 2023
- C. Other significant assumptions that differ from those used for the funding valuation: none
- D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method
- E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none
- F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the Fund, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the Fund would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of fund assets to cover the estimated cost of settling the Fund’s benefit obligation.

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



DISCLOSURE REQUIREMENTS – ACTUARIAL STANDARD OF PRACTICE (ASOP) NO. 4

REASONABLE ACTUARIALLY DETERMINED CONTRIBUTION

ASOP No. 4 also now requires a separate disclosure of a reasonable actuarially determined contribution that does not include any prescribed assumptions or methods set by law. The calculation of this contribution amount must include reasonable assumptions that in combination have no significant bias, reasonable amortization and asset valuation methods, and a contribution allocation procedure that is consistent with the Fund accumulating sufficient assets to pay all future benefits when due.

Since the Fund is closed to new members (and has been since October 1, 2017), it would be reasonable to target fully funding the Pension Fund over the next 20 years using level dollar amortization (versus level percent of pay amortization; i.e., not incorporating a payroll growth assumption that reflects the future payroll growth of all police officer and firefighter members, including those hired after October 1, 2017 who are not members of the Fund). It would also be reasonable to prevent near-term deterioration in the Fund's funded status, or growth in the unfunded actuarial accrued liability (UAAL), which is often referred to as negative amortization.

For actuarial valuation purposes, as required by City Ordinance, the present value of the projected Pension Liability Surtax proceeds expected to be received in years 2031 through 2060 is required to be calculated and offset against the Fund's UAAL before the amortization payment on the UAAL is calculated. This arrangement is unique to the City of Jacksonville. While the Pension Liability Surtax is a dedicated revenue source to be deposited into the pension fund, it delays the projected full funding date well beyond 20 years and results in near-term deterioration of the Fund's funded status. The assumed rate of increase in the Pension Liability Surtax of 4.25% per year seems reasonable based on recent actual surtax growth experience, although recent growth has been amplified by higher than normal inflation, so it is reasonable to base the projection of future Pension Liability Surtax revenue on the current smoothed surtax proceeds. For purposes of this disclosure, we are reflecting the present value of the projected surtax proceeds through 2042. Doing so narrowly prevents the projected unfunded actuarial accrued liability of the Fund from increasing over the next few years (i.e., it prevents negative amortization). The present value of the projected Pension Liability Surtax revenue through 2042 is \$643,618,400.

In our opinion, all other assumptions and methods used for valuation purposes are reasonable for the purposes of this disclosure and have no significant bias in the aggregate.

Using a 20-year level dollar amortization of the net unfunded actuarial liability (net of the present value of the projected Pension Liability Surtax proceeds expected to be received through 2042), along with all of the other assumptions and methods disclosed in this actuarial valuation report, a reasonable actuarially determined contribution for fiscal year 2025, payable on October 1, 2024, would be \$258,245,501. It is important to bear in mind that this is a hypothetical number for disclosure purposes which ignores a large portion of the Pension Liability Surtax Revenue (projected to be received after 2042).



ORIGINAL VERSUS CURRENT PROJECTION OF PENSION LIABILITY SURTAX

PENSION LIABILITY SURTAX ESTIMATES 4.25% GROWTH						
Fiscal Year	Original Projection of Pension Liability Surtax			Current Projection of <i>Smoothed</i> Pension Liability Surtax		
	Projected Total 1/2-Penny Sales Tax*	Projected Pension Liability Surtax	63% of Revenue for Police and Fire Pension Fund	Projected Total 1/2-Penny Sales Tax*	Projected Pension Liability Surtax	59.0% of Revenue for Police and Fire Pension Fund
2016	\$ 82,875,723			\$ 82,875,723		
2017	<i>86,397,941</i>			86,148,000		
2018	<i>90,069,854</i>			91,529,277		
2019	<i>93,897,823</i>			95,804,756		
2020	<i>97,888,480</i>			93,742,144		
2021	<i>102,048,740</i>			107,207,059		
2022	<i>106,385,812</i>			112,840,490		
2023	<i>110,907,209</i>			120,073,358		
⋮	⋮			⋮		
⋮	⋮			⋮		
2031	<i>154,727,777</i>	\$ 116,045,832	\$ 73,108,874	167,515,565	\$ 125,636,673	\$ 74,125,637
2032	<i>161,303,707</i>	161,303,707	101,621,335	174,634,976	174,634,976	103,034,636
⋮	⋮	⋮	⋮	⋮	⋮	⋮
⋮	⋮	⋮	⋮	⋮	⋮	⋮
2060	<i>517,337,703</i>	517,337,703	325,922,753	560,094,117	560,094,117	330,455,529
2061	<i>539,324,556</i>	134,831,139	84,943,617	583,898,117	145,974,529	86,124,972
Total Proceeds from 1/1/31-12/31/60:		\$ 9,105,159,243	\$ 5,736,250,323		\$ 9,901,332,171	\$ 5,841,785,981
Net Present Value** of Proceeds as of 10/1/23:		\$ 2,148,523,730	\$ 1,353,569,950		\$ 2,326,092,792	\$ 1,372,394,747
<i>Change in Total Proceeds from Original to Current Projection:</i>					\$ 796,172,928	\$ 105,535,658
<i>Change in Net Present Value of Proceeds from Original to Current Projection:</i>					\$ 177,569,062	\$ 18,824,797

*Numbers in **bold** are actual numbers; numbers in *italics* are projected. Beginning Fiscal Year 2022 the Projected Total 1/2-Penny Sales Tax uses a five-year smoothing method.

** The Present Value of the Original Projection of Pension Liability Surtax has been adjusted using 6.50% interest rate.

The actual *smoothed* surtax revenue has increased by an average of 5.44% per year from FY 2016 to FY 2023, which is trending higher than the 4.25% assumption. Also, the percentage of the Pension Liability Surtax (PLS) allocated to the Police and Fire Fund (versus the City's other two pension plans) has declined from 63.0% (initially) to 59.0% (currently). The impact of these two variables on the required City contribution and the percentage of the Actuarial Accrued Liability (AAL) covered by the sum of current assets and the present value of the PLS proceeds are shown below:

	If Original Projection Held (4.25%/yr Growth; 63.0% Allocation)	Reflecting <i>Smoothed</i> PLS Growth (≈ 5.44%/yr); Original 63.0%	Reflecting <i>Smoothed</i> PLS Growth (≈ 5.44%/yr); Actual 59.0% Allocation
Required City Contribution Payable			
October 1, 2024	\$ 179,405,283	\$ 171,460,203	\$ 178,068,316
<i>Impact of Change on Valuation Results</i>	\$ (1,336,967)	\$ 6,608,113	N/A
Percentage of AAL covered by Assets and PLS	71.11 %	73.29 %	71.48 %
<i>Impact of Change on Valuation Results</i>	0.37 %	(1.81) %	N/A



SECTION B

VALUATION RESULTS

PARTICIPANT DATA¹		
	October 1, 2023	October 1, 2022
ACTIVE MEMBERS		
Number	1,732	1,872
Annual Payroll	\$ 160,098,481	\$ 163,370,080
Average Annual Payroll	\$ 92,436	\$ 87,270
Average Age	42.2	41.7
Average Past Service	13.8	13.3
Average Age at Hire	28.4	28.4
RETIREES, BENEFICIARIES & DROP		
Number	3,363	3,279
Annual Benefits ²	\$ 216,243,779	\$ 205,103,139
Average Annual Benefit ²	\$ 64,301	\$ 62,551
Average Age	65.1	64.9
DISABILITY RETIREES		
Number	47	45
Annual Benefits	\$ 2,217,490	\$ 2,059,820
Average Annual Benefit	\$ 47,181	\$ 45,774
Average Age	64.2	63.9
TERMINATED VESTED MEMBERS		
Number	100	94
Annual Benefits	\$ 1,900,270	\$ 1,775,889
Average Annual Benefit	\$ 19,003	\$ 18,892
Average Age	43.5	44.1

¹Participant data is collected as of July 1.

²Not including distributions or installment payments from DROP accounts.



ACTUARIALLY DETERMINED CONTRIBUTION (ADC)		
A. Valuation Date	October 1, 2023	October 1, 2022
B. ADC to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2024
C. Assumed Date of Employer Contributions	10/1/2024	12/1/2023
D. Expected Covered Payroll for the Year Beginning on the Valuation Date	\$ 159,542,895	\$ 162,885,451
E. Annual Payment to Amortize Unfunded Actuarial Liability	104,512,658	97,631,905
F. Employer Normal Cost	71,357,284	72,464,672
G. ADC if Paid on the Valuation Date: E + F	175,869,942	170,096,577
H. Contributions from Other Sources	0	0
I. City Contribution: G - H as % of Covered Payroll	175,869,942 110.23 %	170,096,577 104.43 %
J. Actuarially Determined Contribution (ADC) in Contribution Year	178,068,316 *	174,039,920

* = City Contribution (item G.) x (1+payroll growth of 1.25%). The City contribution calculated last year payable 12/1/2023 included 2 months of interest.

ACTUARIAL VALUE OF BENEFITS AND ASSETS		
A. Valuation Date	October 1, 2023	October 1, 2022
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 1,646,520,776	\$ 1,653,499,309
b. Vesting Benefits	51,362,437	54,759,818
c. Disability Benefits	17,504,569	18,380,897
d. Preretirement Death Benefits	8,926,873	9,475,791
e. Return of Member Contributions	495,661	518,626
f. Total	1,724,810,316	1,736,634,441
2. Inactive Members		
a. Service Retirees	2,884,140,226	2,808,281,422
b. DROP Retirees	716,587,675	614,704,274
c. Disability Retirees	33,669,774	31,524,337
d. Beneficiaries	268,419,775	256,722,957
e. Terminated Vested Members	32,044,982	29,955,474
f. Total	3,934,862,432	3,741,188,464
3. Total for All Members	5,659,672,748	5,477,822,905
C. Actuarial Accrued (Past Service) Liability		
1. Active Members	1,198,899,349	1,175,204,361
2. Inactive Members	3,934,862,432	3,741,188,464
3. Total for All Members	5,133,761,781	4,916,392,825
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	4,992,481,312	4,770,822,161
E. Plan Assets		
1. Gross Market Value of Assets	2,228,344,325	1,996,816,815
2. Reserve Accounts, including Share Plan	(32,906,463)	(17,069,210)
3. Sr. Staff Plan Assets	(3,584,008)	(3,538,585)
4. Net Market Value of Assets	2,191,853,854	1,976,209,020
5. Actuarial Value of Assets	2,297,064,315	2,259,229,842
F. Total Unfunded Actuarial Accrued Liability: C3 - E5	2,836,697,466	2,657,162,983
G. Net Present Value of Total Pension Liability Surtax Proceeds According to Pro Rata Share	1,372,394,747	1,260,338,181
H. Net Unfunded Actuarial Accrued Liability: F - G	1,464,302,719	1,396,824,802
I. Actuarial Present Value of Projected Covered Payroll	1,139,898,287	1,217,880,794
J. Funded Ratio: E5 / C3	44.74%	45.95%
K. Percent of Actuarial Accrued Liability Covered by Assets and Total Pension Liability Surtax Proceeds: (G + E5) / C3	71.48%	71.59%
L. Liquidity Ratio		
1. DROP Balance as of Valuation Date	416,397,298	400,612,610
2. Net Market Value (Net of DROP): E4 - L1	1,775,456,556	1,575,596,410
3. Annual Benefit Payments in Pay Status	218,461,269	207,162,959
4. Ratio: L2 : L3	8.13 : 1	7.61 : 1

*Inactive members liabilities include DROP Account Balances, split based on status as of June 1.



CALCULATION OF EMPLOYER NORMAL COST		
A. Valuation Date	October 1, 2023	October 1, 2022
B. Expected Covered Payroll for the Year Beginning on the Valuation Date	\$ 159,542,895	\$ 162,885,451
C. Normal Cost (Individual Entry Age) for		
1. Service Retirement Benefits	66,002,382	67,362,328
2. Vesting Benefits	4,996,642	5,062,394
3. Disability Benefits	1,385,891	1,417,744
4. Preretirement Death Benefits	922,444	942,515
5. Return of Member Contributions	132,680	136,591
6. Total for Future Benefits	<u>73,440,039</u>	<u>74,921,572</u>
7. Assumed Amount for Expenses	<u>14,808,136</u>	<u>14,654,187</u>
8. Total Normal Cost	88,248,175	89,575,759
D. Expected Member (including DROP) Contribution	16,890,891	17,111,087
E. Employer Normal Cost: C8 - D	71,357,284	72,464,672
F. Employer Normal Cost as a % of Covered Payroll: E / B	44.73%	44.49%

Smoothed Total Annual Pension Liability Surtax Revenue

Valuation Date - October 1	2022	2023	2024	2025	2026	2027
A. Smoothed Total Annual PLS Revenue - Previous Year	\$ 107,207,059	\$ 112,840,490	\$ -	\$ -	\$ -	\$ -
B. Actual Total Annual PLS Revenue - Current Year	117,149,012	128,012,366	-	-	-	-
C. Actual Total Annual PLS Revenue - Previous Year	107,207,059	117,149,012	-	-	-	-
D. Increase in Total Annual PLS Revenue						
D1. Actual (\$) Increase in Total PLS Revenue: B - C	9,941,953	10,863,354	-	-	-	-
D2. Assumed Rate (%) of Increase	4.25%	4.25%	-	-	-	-
D3. Assumed (\$) Increase in Total PLS Revenue: D2*C	4,556,300	4,978,833	-	-	-	-
D4. Amount Subject to Phase-In: D1 – D3	5,385,653	5,884,521	-	-	-	-
E. Phase-In Recognition of PLS Revenue Excess/(Shortfall)						
E1. Current Year: 0.2 x D4	1,077,131	1,176,904	-	-	-	-
E2. First Prior Year	-	1,077,131	1,176,904	-	-	-
E3. Second Prior Year	-	-	1,077,131	1,176,904	-	-
E4. Third Prior Year	-	-	-	1,077,131	1,176,904	-
E5. Fourth Prior Year	-	-	-	-	1,077,129	1,176,905
E6. Total Phase-Ins	1,077,131	2,254,035	2,254,035	2,254,035	2,254,033	1,176,905
F. Smoothed Total Annual PLS Revenue - Current Year						
F1. Preliminary Smoothed Total PLS Revenue: A + D3 + E6	\$ 112,840,490	\$ 120,073,358	\$ -	\$ -	\$ -	\$ -
F2. Upper Corridor Limit: 120%*B	140,578,814	153,614,839	-	-	-	-
F3. Lower Corridor Limit: 80%*B	93,719,210	102,409,893	-	-	-	-
F4. Final Smoothed Total Annual PLS Revenue	112,840,490	120,073,358	-	-	-	-
G. Difference between Actual & Smoothed Annual PLS Revenue	4,308,522	7,939,008	-	-	-	-
H. Percentage Change in Smoothed Annual PLS Revenue	5.25%	6.41%	0.00%	0.00%	0.00%	0.00%
I. Percentage Change in Total Actual Annual PLS Revenue	9.27%	9.27%	0.00%	0.00%	0.00%	0.00%
J. Ratio of Smoothed PLS Revenue to Actual PLS Revenue	96.32%	93.80%	0.00%	0.00%	0.00%	0.00%



PENSION LIABILITY SURTAX ESTIMATES

4.25% GROWTH

<u>Fiscal Year</u>	<u>Projected Total 1/2-Penny Sales Tax</u>	<u>Projected Pension Liability Surtax</u>	<u>59.0% of Revenue for Police and Fire Pension Fund</u>
2023	\$ 120,073,358		
2024	125,176,476		
2025	130,496,476		
2026	136,042,576		
2027	141,824,386		
2028	147,851,922		
2029	154,135,629		
2030	160,686,393		
2031	167,515,565	\$ 125,636,673	\$ 74,125,637
2032	174,634,976	174,634,976	103,034,636
2033	182,056,963	182,056,963	107,413,608
2034	189,794,384	189,794,384	111,978,686
2035	197,860,645	197,860,645	116,737,780
2036	206,269,722	206,269,722	121,699,136
2037	215,036,185	215,036,185	126,871,349
2038	224,175,223	224,175,223	132,263,382
2039	233,702,670	233,702,670	137,884,575
2040	243,635,034	243,635,034	143,744,670
2041	253,989,523	253,989,523	149,853,818
2042	264,784,077	264,784,077	156,222,606
2043	276,037,401	276,037,401	162,862,066
2044	287,768,990	287,768,990	169,783,704
2045	299,999,172	299,999,172	176,999,512
2046	312,749,137	312,749,137	184,521,991
2047	326,040,976	326,040,976	192,364,176
2048	339,897,717	339,897,717	200,539,653
2049	354,343,370	354,343,370	209,062,588
2050	369,402,963	369,402,963	217,947,748
2051	385,102,589	385,102,589	227,210,528
2052	401,469,449	401,469,449	236,866,975
2053	418,531,901	418,531,901	246,933,821
2054	436,319,507	436,319,507	257,428,509
2055	454,863,086	454,863,086	268,369,220
2056	474,194,767	474,194,767	279,774,912
2057	494,348,044	494,348,044	291,665,346
2058	515,357,836	515,357,836	304,061,123
2059	537,260,544	537,260,544	316,983,721
2060	560,094,117	560,094,117	330,455,529
2061	583,898,117	145,974,529	86,124,972
Total Proceeds from 2031-2061:		\$ 9,901,332,171	\$ 5,841,785,981
Net Present Value of Proceeds as of 10/1/23			
(at 6.5% interest):		\$ 2,326,092,792	\$ 1,372,394,747



LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

UAAL AMORTIZATION PERIOD AND PAYMENTS						
Original UAAL				Current UAAL*		
Date Established	Type of Amortization Base	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment
10/1/2016	Fresh Start	30	\$ 1,243,587,908	23	\$ 1,144,123,763	\$82,053,771
10/1/2017	Experience (Gain)/Loss	30	(102,449,877)	24	(98,774,798)	(6,928,538)
10/1/2017	Assumption Changes	30	67,640,845	24	65,214,435	4,574,453
10/1/2018	Experience (Gain)/Loss	30	(19,072,874)	24	(18,433,989)	(1,293,048)
10/1/2018	Method Change	29	15,507,222	24	14,987,776	1,051,314
10/1/2019	Experience (Gain)/Loss	28	33,690,255	24	32,515,859	2,280,818
10/1/2019	Benefit Change	28	2,158,327	24	2,083,092	146,118
10/1/2020	Experience (Gain)/Loss	27	84,589,421	24	82,048,272	5,755,259
10/1/2020	Assumption Changes	27	36,384,579	24	35,291,551	2,475,519
10/1/2021	Experience (Gain)/Loss	26	(147,822,021)	24	(144,108,904)	(10,108,489)
10/1/2021	Assumption Changes	26	98,517,513	24	96,042,868	6,736,907
10/1/2022	Experience (Gain)/Loss	25	79,289,877	24	78,740,492	5,523,236
10/1/2022	Assumption Changes	25	48,230,549	24	47,896,369	3,359,681
10/1/2022	Method Change	25	48,122,751	24	47,789,318	3,352,172
10/1/2023	Experience (Gain)/Loss	24	<u>78,886,615</u>	24	<u>78,886,615</u>	<u>5,533,485</u>
			1,567,261,090		1,464,302,719	104,512,658

*Reflects an offset equal to the net present value of the total pension liability surtax proceeds based on a pro rata share of 59.0%.



Amortization Schedule

The UAAL is being amortized as a level percent of pay over the number of years remaining in each amortization period. The following schedule illustrates the expected amortization of the UAAL:

Amortization Schedule	
Year	Expected UAAL*
2023	\$ 1,464,302,719
2024	1,448,176,426
2025	1,429,610,589
2026	1,408,429,254
2027	1,384,444,809
2028	1,357,457,220
2033	1,169,495,389
2038	867,733,010
2043	407,219,115
2047	-

*Reflects an offset equal to the net present value of the total pension liability surtax proceeds based on a pro rata share of 59.0%.

ACTUARIAL GAINS AND LOSSES

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

1. UAAL at 10/1/2022	\$ 1,396,824,802
2. 2022-23 Total Normal Cost for Benefits (BOY)	74,921,572
3. 2022-23 Contributions (net of Administrative Expenses)	172,999,529
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	95,663,514
b. 3 from dates paid	8,994,255
c. a - b	86,669,259
5. Expected UAAL at 10/1/2023 (before changes): 1 + 2 - 3 + 4c	1,385,416,104
6. Actual UAAL at 10/1/2023 (before changes):	1,464,302,719
7. Net Actuarial Gain/(Loss):	(78,886,615)
8. Gain/(Loss) on the Actuarial Value of Assets (net of reserves):	(53,502,109)
9. Gain/(Loss) Due to Changes in Projected Pension Liability Surtax Proceeds:	30,134,584
10. Gain/(Loss) Due to Other Sources:	(55,519,090)

The annual experience gains/(losses) in previous years have been as follows:

Year Ending	Experience Gain / (Loss)
9/30/2013	\$ 86,047,514
9/30/2014	34,912,618
9/30/2015	(182,600,912)
9/30/2016	45,616,836
9/30/2017	102,449,877
9/30/2018	19,072,874
9/30/2019	(33,690,255)
9/30/2020	(84,589,421)
9/30/2021	147,822,021
9/30/2022	(79,289,877)
9/30/2023	(78,886,615)

The fund earnings, salary increase and annual pension liability surtax revenue increase assumptions have considerable impact on the cost of the plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings, salary increase rates, and pension liability surtax revenue rates compared to the assumed rates for the last few years:

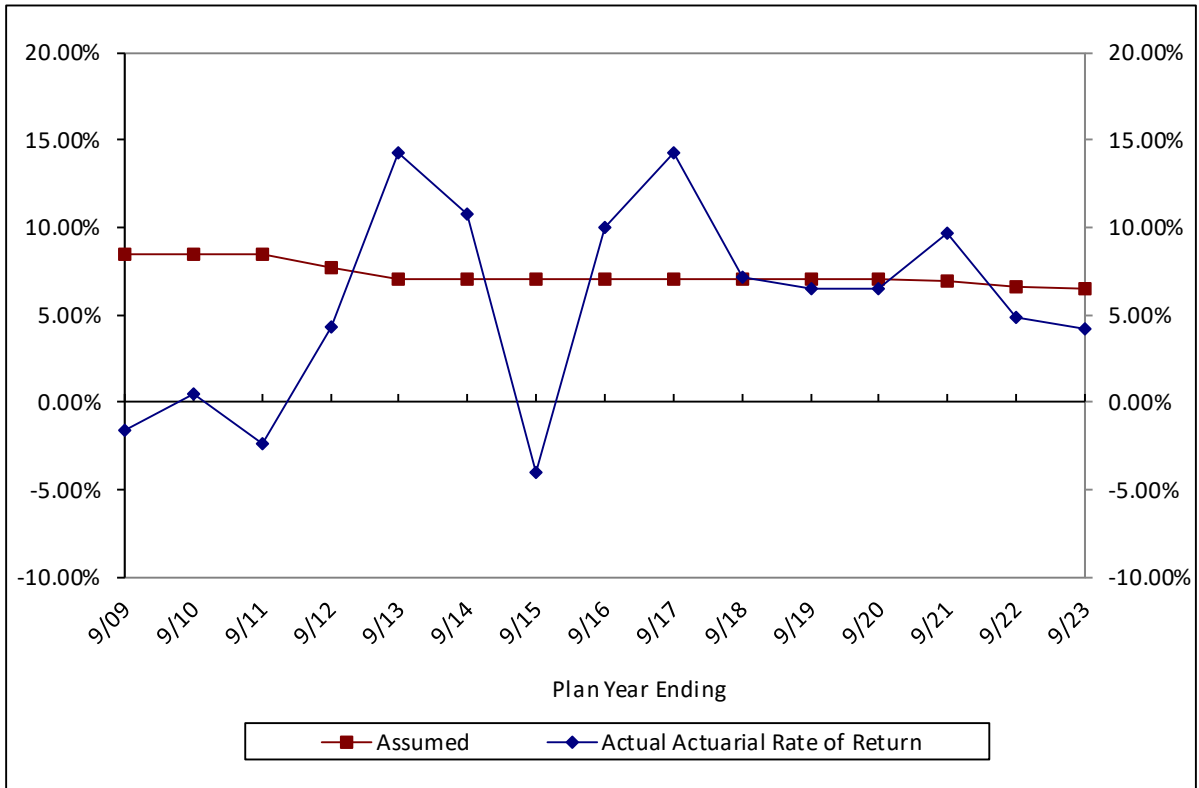
Period Ending	Investment Return		Salary Increases		% Change in Annual PLS Revenue	
	Actual	Assumed	Actual*	Assumed*	Actual*	Assumed*
9/30/2009	(1.63) %	8.50 %	7.0 %	5.5 %		
9/30/2010	0.44	8.50	3.0	5.5		
9/30/2011	(2.41)	8.50	2.5	5.5		
9/30/2012	4.34	7.75	0.4	5.0		
9/30/2013	14.29	7.00	2.9	4.0		
9/30/2014	10.73	7.00	3.0	4.0		
9/30/2015	(4.00)	7.00	3.8	3.5		
9/30/2016	10.00	7.00	2.2	3.5		
9/30/2017	14.27	7.00	12.1	10.0	3.95 %	4.25 %
9/30/2018	7.20	7.00	10.4	10.0	6.25	4.25
9/30/2019	6.46	7.00	11.6	10.5	4.67	4.25
9/30/2020	6.50	7.00	3.4	3.5	(2.15)	4.25
9/30/2021	9.72	6.90	2.3	4.8	14.36	4.25
9/30/2022	4.84	6.625	11.7	4.4	5.25 **	4.25
9/30/2023	4.21	6.50	6.7	4.0	6.41	4.25
Average	5.52 %	7.28 %	5.5 %	5.6 %	5.44 %	4.25 %

*Actual and assumed rates are based on average compound increases for the period.

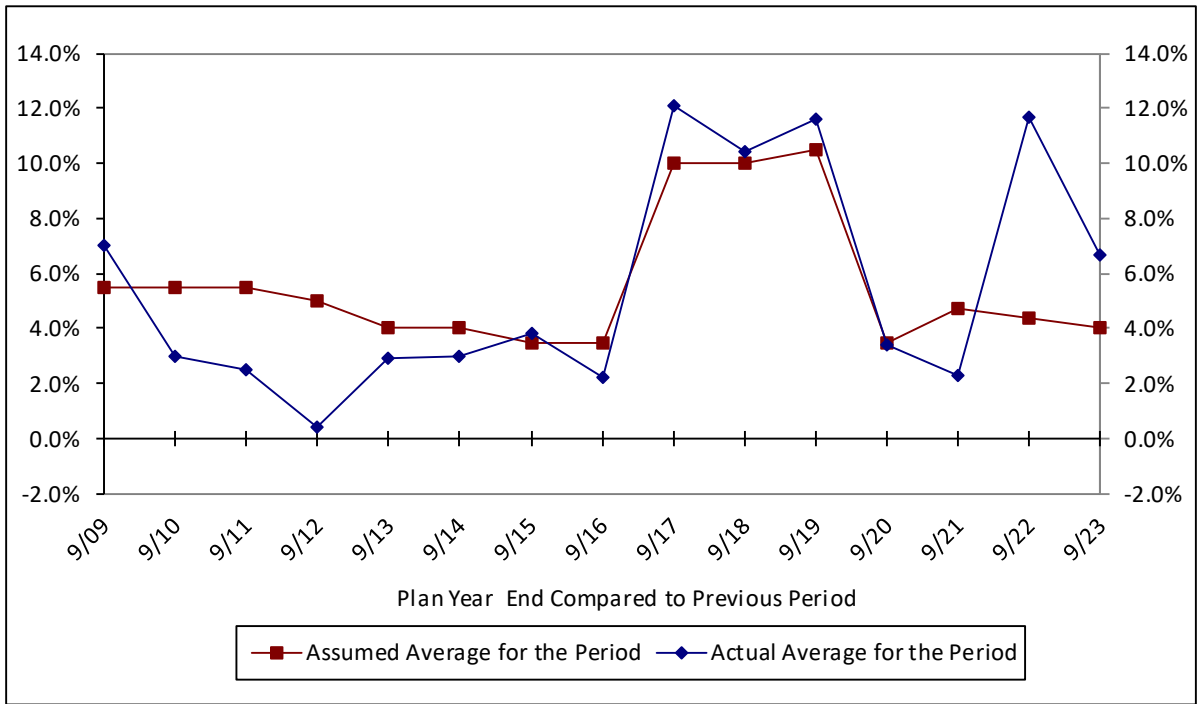
**Beginning 9/30/2022 the Annual PLS Revenue uses a five-year smoothing method.

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

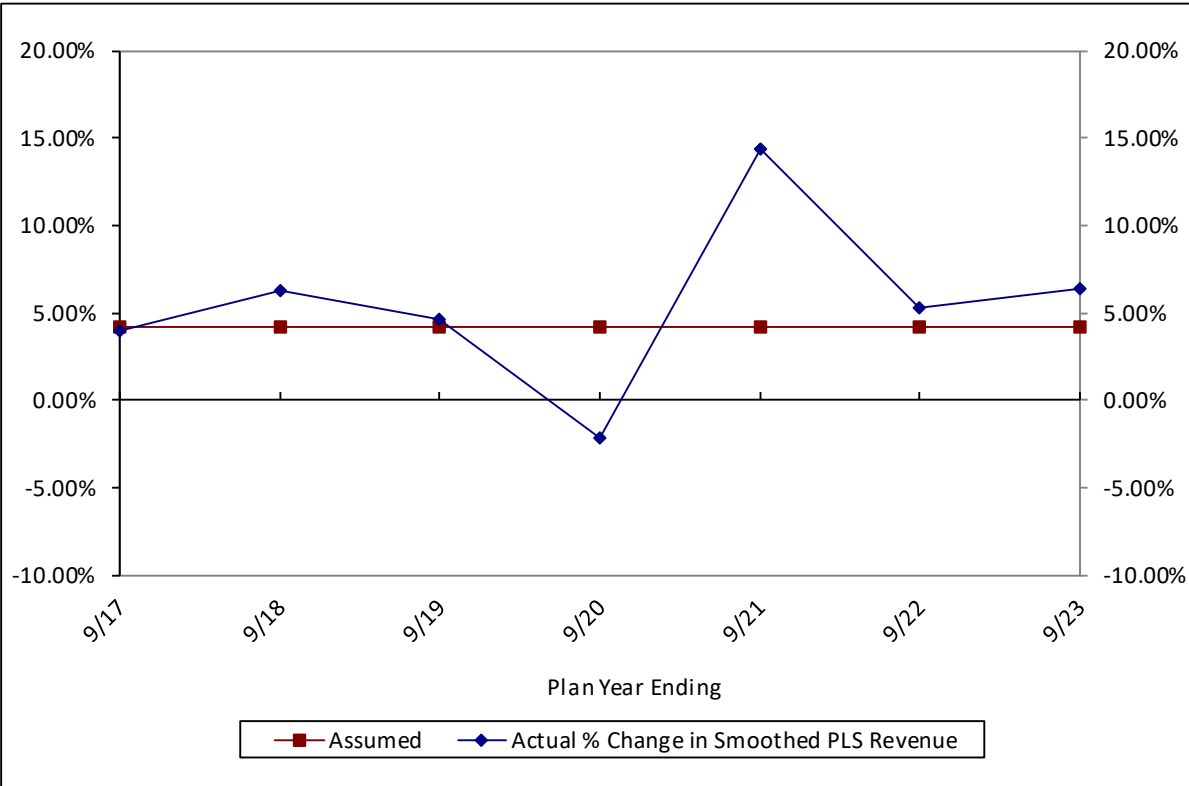
History of Investment Return Based on Actuarial Value of Assets



History of Salary Increases



History of Pension Liability Surtax Revenue Increases (Smoothed After 9/21)



**Number Added To and Removed from Active Participation
Actual (A) Compared to Expected (E)**

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Died In Service		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2017	231	163	110	107	2	3	4	3	16	31	47	25	2,362
9/30/2018	132	28	68	79	0	3	3	3	18	21	39	27	2,384
9/30/2019	0	0	50	87	2	3	2	3	16	13	29	27	2,301
9/30/2020	0	0	56	92	0	3	1	3	6 *	2	8	24	2,236
9/30/2021	0	0	145	115	0	2	2	3	22	10	32	22	2,057
9/30/2022	0	0	163	100	1	2	6	3	13 *	2	15	20	1,872
9/30/2023	0	0	117	92	2	2	1	2	19 *	1	20	18	1,732
7-Yr Total	363	191	709	672	7	18	19	20	110	80	190	163	

*Adjusted to reflect rehired vested terminated members.

Note: Participant data is collected as of July 1. The plan was closed to new members as of October 1, 2017.

RECENT HISTORY OF VALUATION RESULTS

Valuation Date	Number of		Covered Annual Payroll	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Funded Ratio	Unfunded AAL (UAAL)	UAAL as a % of Covered Payroll
	Active Members	Inactive Members						
10/1/2000	2,049	1,797	\$ 97,207	\$ 939,802	\$ 814,889	86.7 %	\$ 124,913	128.5 %
10/1/2001	2,037	1,883	96,199	927,625	790,823	85.3	136,802	142.2
10/1/2002	2,068	1,975	101,698	977,779	725,416	74.2	252,363	248.1
10/1/2003	2,182	1,994	109,637	1,146,459	732,526	63.9	413,933	377.6
10/1/2004	2,347	2,019	118,510	1,222,355	727,955	59.6	494,400	417.2
10/1/2005	2,450	2,046	130,392	1,314,424	765,180	58.2	549,244	421.2
10/1/2006	2,509	2,068	134,694	1,376,659	827,338	60.1	549,321	407.8
10/1/2007	2,541	2,117	143,006	1,464,508	930,454	63.5	534,054	373.4
10/1/2008	2,534	2,164	148,277	1,692,975	894,903	52.9	798,072	538.2
10/1/2009	2,583	2,278	155,558	1,753,946	855,997	48.8	897,949	577.2
10/1/2010	2,620	2,353	158,047	2,024,453	1,060,406	52.4	964,047	610.0
10/1/2011	2,451	2,481	148,968	2,427,198	1,039,894	42.8	1,387,304	931.3
10/1/2012	2,213	2,647	133,611	2,762,977	1,078,907	39.0	1,684,070	1,260.4
10/1/2013	2,150	2,725	130,972	2,876,606	1,228,131	42.7	1,648,475	1,258.6
10/1/2014	2,237	2,801	134,521	2,983,906	1,389,748	46.6	1,594,158	1,185.1
10/1/2015	2,202	2,906	132,735	3,142,228	1,354,405	43.1	1,787,823	1,346.9
10/1/2016	2,294	2,963	135,600	3,518,252	1,513,398	43.0	2,004,853	1,478.5
10/1/2017	2,362	3,055	149,490	3,736,610	1,765,159	47.2	1,971,451	1,318.8
10/1/2018	2,384	3,092	162,004	3,880,073	1,865,496	48.1	2,014,577	1,243.5
10/1/2019	2,301	3,127	174,125	4,036,925	1,946,967	48.2	2,089,958	1,200.3
10/1/2020	2,236	3,150	174,186	4,253,525	2,041,049	48.0	2,212,476	1,270.2
10/1/2021	2,057	3,276	161,836	4,574,334	2,198,635	48.1	2,375,699	1,468.0
10/1/2022	1,872	3,418	162,885	4,916,393	2,259,230	46.0	2,657,163	1,631.3
10/1/2023	1,732	3,510	159,543	5,133,762	2,297,064	44.7	2,836,698	1,778.0

Note: Dollar amounts are in thousands.



RECENT HISTORY OF REQUIRED AND ACTUAL CITY CONTRIBUTIONS							
Valuation Date	End of Year To Which Valuation Applies	Required Contributions		Actual Contributions			
		Amount	% of Payroll	City Contributions	Alotted from Reserves*	Total	% of Payroll
10/1/2003	9/30/2005	\$ 35,929	27.55 %	\$ 27,176	\$ 8,753	\$ 35,929	27.55 %
10/1/2003	9/30/2006	38,230	28.38	36,124	2,106	38,230	28.38
10/1/2003	9/30/2007	39,850	27.87	44,208	(4,358)	39,850	27.87
10/1/2006	9/30/2008	48,807	32.92	48,364	443	48,807	32.92
10/1/2006	9/30/2009	50,564	32.51	50,235	329	50,564	32.51
10/1/2008	9/30/2010	77,182	48.83	82,197	(5,015)	77,182	48.83
10/1/2008	9/30/2011	77,065	51.73	75,903	1,162	77,065	51.73
10/1/2008	9/30/2012	73,729	55.18	70,599	3,130	73,729	55.18
10/1/2011	9/30/2013	99,997	76.35	122,580	(22,583)	99,997	76.35
10/1/2012	9/30/2014	142,433	105.88	149,159	(6,726)	142,433	105.88
10/1/2013	9/30/2015	153,604	115.72	153,936	(332)	153,604	115.72
10/1/2014	9/30/2016	149,499	110.70	149,499	0	149,499	110.70
10/1/2015	9/30/2017	167,788	119.60	167,788	0	167,788	119.60
10/1/2016	9/30/2018	135,648	90.74	115,691	20,000	135,691	90.77
10/1/2017	9/30/2019	135,264	88.36	110,528	24,736	135,264	83.49
10/1/2018	9/30/2020	140,293	84.57	123,329	16,964	140,293	80.57
10/1/2019	9/30/2021	148,476	83.27	134,725	13,751	148,476	85.24
10/1/2020	9/30/2022	157,352	88.23	157,352	0	157,352	97.23
10/1/2021	9/30/2023	156,994	94.79	156,848	146	156,994	96.38
10/1/2022	9/30/2024	174,040	104.43	---	---	---	---
10/1/2023	9/30/2025	178,068	110.23	---	---	---	---

Note: Dollar amounts are in thousands.

*Actual contributions include the use of funds from the City Contribution reserve (or the City Budget Stabilization Account (CBSA) prior to fiscal year ending Spetember 30, 2016).



ACTUARIAL ASSUMPTIONS AND COST METHOD

Valuation Methods

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

- (i) the annual normal cost for each individual active member, payable from the date of employment to the dates of expected retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

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

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities were amortized as a level (principal & interest combined) percent of payroll over a prescribed period of up to 24 years. *The maximum prescribed period was 25 years in the prior valuation.* This period will be reduced by 1 year in each future year until it reaches 15 years. The assumed payroll growth rate is 1.25%.

Actuarial Value of Assets - The Actuarial Value of Assets phase in the difference between the expected actuarial value and actual market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Smoothed Annual Pension Liability Surtax Revenue - The Smoothed Annual Pension Liability Surtax (PLS) Revenue phases in the difference between the expected smoothed value and Actual Pension Liability Surtax Revenue at the rate of 20% per year. The Smoothed Annual PLS Revenue will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Actual PLS Revenue and whose upper limit is 120% of the Actual PLS Revenue. During periods when actual increases in the surtax revenue exceed the assumed rate, the smoothed Annual PLS Revenue will tend to be lower than the Actual PLS Revenue. During periods when actual increases in the surtax revenue are less than the assumed rate, the smoothed Annual PLS Revenue will tend to be higher than the Actual PLS Revenue.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section.



Economic Assumptions

The future investment return rate assumed in the valuation is 6.50% per year, compounded annually.

The future inflation rate assumed in this valuation is 2.25% per year.

The assumed real rate of return over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.50% investment return rate translates to an assumed real rate of return over inflation of 4.25%.

The rates of salary increase used are in accordance with the following tables below and are based on the Experience Study dated October 22, 2020. Part of the assumption is for merit and/or seniority service increase, and 2.25% recognizes inflation. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

% Increase in Salary			
Years of Service	Merit and Seniority	Inflation	Total Increase
3	9.25%	2.25%	11.50%
4	7.50%	2.25%	9.75%
5	4.25%	2.25%	6.50%
6 - 7	2.75%	2.25%	5.00%
8 - 10	2.00%	2.25%	4.25%
11 - 14	1.40%	2.25%	3.65%
15 - 18	1.10%	2.25%	3.35%
19 & Over	0.50%	2.25%	2.75%

Note the plan is closed to new entrants effective October 1, 2017. As of October 1, 2020, active members have a minimum of 3 years of service.

Demographic Assumptions

The mortality table is the PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for postretirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and postretirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.



FRS Healthy Post-Retirement Mortality for Special Risk Class Members

Sample Attained Ages in 2023	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.42 %	0.20 %	32.69
55	0.55	0.35	27.91	31.48
60	0.91	0.60	23.31	26.68
65	1.31	0.92	19.03	22.15
70	2.07	1.43	14.99	17.88
75	3.49	2.38	11.38	13.95
80	6.19	4.08	8.29	10.46

This assumption is used to measure the probabilities of each benefit payment being made after retirement.

FRS Healthy Pre-Retirement Mortality for Special Risk Class Members

Sample Attained Ages in 2023	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.16 %	0.10 %	35.82
55	0.25	0.16	30.74	34.59
60	0.42	0.22	25.78	29.51
65	0.68	0.30	21.00	24.49
70	1.17	0.54	16.46	19.58
75	2.05	1.05	12.21	14.87
80	6.19	4.08	8.29	10.46

This assumption is used to measure the probabilities of active members dying prior to retirement.

For disabled retirees, the mortality table is 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, and 20% of the PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, both with separate rates for males and females, with no provision being made for future mortality improvements. These are the same rates currently in use for Special Risk class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.

FRS Disabled Mortality for Special Risk Class Members

Sample Attained Ages in 2023	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	1.45 %	1.25 %	24.04
55	1.91	1.50	20.88	23.54
60	2.37	1.81	17.92	20.32
65	3.00	2.22	15.07	17.17
70	3.91	2.90	12.39	14.10
75	5.30	4.13	9.87	11.22
80	7.66	6.21	7.60	8.67



The **rates of retirement** used to measure the probability of eligible members retiring during the next year were as follows and are based on the Experience Study dated October 22, 2020.

Service	Age	Service Retirement
20	Under 50	45.0%
	50 - 54	55.0
	55 - 59	60.0
	60 & Over	100.0
21	Under 50	25.0
	50 - 59	30.0
	60 & Over	50.0
22 - 23	Under 50	15.0
	50 - 59	30.0
	60 & Over	50.0
24 - 28	Under 60	25.0
	60 & Over	50.0
29	Any Age	50.0
30 & Over	Any Age	100.0

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability) and are based on the Experience Study dated October 22, 2020. This assumption measures the probabilities of members separating from employment for reasons other than death, disability or retirement.

Sample Ages	% of Active Members Separating Within Next Year
20	1.6%
25	1.6
30	1.6
35	1.2
40	0.9
45	0.9
50	0.9
55	0.5

Rates of disability among active members are shown below and are based on the Experience Study dated October 22, 2020.

% Becoming Disabled Within Next Year

<u>Sample Ages</u>	<u>Male/Female</u>
20	0.025%
25	0.025
30	0.025
35	0.034
40	0.042
45	0.084
50	0.185
55	0.378
60	0.756
64	0.470

Miscellaneous and Technical Assumptions

<i>Administrative & Investment Expenses</i>	Annual administrative and investment expenses are assumed to be equal to the prior year's expenses. Assumed administrative and investment expenses are added to the Normal Cost.
<i>Benefit Service</i>	Exact fractional service is used to determine the amount of benefit payable. Actual credited service as of the July 1 st prior to the valuation date is used in the valuation.
<i>Decrement Operation</i>	Disability and mortality decrements operate during retirement eligibility.
<i>Decrement Relativity</i>	Decrement rates are used without adjustment for multiple decrement table effects.
<i>Decrement Timing</i>	Decrements of all types are assumed to occur at the beginning of the year.
<i>DROP Load</i>	Explicit valuation of the liabilities and costs associated with the actual DROP interest crediting rate using procedures described in the DROP Interest Study dated September 28, 2017.
<i>DROP Participation</i>	For purposes of the explicit valuation of the DROP Load, active members who choose to retire are assumed to elect to enter the DROP (as a Phase I member) 96% of the time (versus separating from employment). Members whose DROP entry dates are less than 18 months prior to the valuation date are assumed to remain employed (as a Phase I member) for an average total active DROP participation period of 4 years and 7 months. Phase I members whose DROP entry dates are 18 or more months prior to the valuation date are assumed to remain employed (as a Phase I member) for the 5-year maximum DROP participation period. At the end of the DROP participation period, Phase I members are assumed to elect a bi-weekly distribution (as a Phase II member) 95% of the time (versus electing a lump sum) over an assumed distribution period of 30 years.
<i>Eligibility Testing</i>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<i>Forfeitures</i>	No vested terminated refunds or disability recoveries are assumed to occur.

Incidence of Contributions

Member contributions are assumed to be received continuously throughout the year based upon the member contribution rate. Employer contributions are assumed to be received in full on December 1st and are assumed to be equal to the dollar amount shown.

Marriage and Survivor Assumption

For death-in-service, 50% of active member deaths are assumed to have a surviving spouse and an additional 20% of active member deaths are assumed to have an eligible orphaned child. Orphaned children of active members are assumed to be paid for a period of 10 years. For all retirees (current and future), 65% of males and 65% of females are assumed to be married and a 75% survivor benefit will be paid after the death of the retiree. Male members are assumed to be 5 years older than their surviving spouse and female members are assumed to be 5 years younger than their surviving spouse.

Normal Form of Benefit

A 75% joint and contingent life annuity is the normal form of benefit.

Pension Liability Surtax

59.0% of the total proceeds from the City of Jacksonville's pension liability is assumed to be allocated to the Jacksonville Police and Fire Pension Fund beginning with fiscal year 2031. Sales tax revenue is projected to increase by 4.25% annually. In the previous valuation, the pro rata share of the total proceeds was 58.9%. This allocation percentage is updated each year by the City based on the relative unfunded actuarial liabilities for all three of the City's pension plans.

Pay Increase Timing

Reported pays were assumed to be the pays for the current year beginning on the valuation date. Future pay increases are assumed to occur at the end of the year.

Service Credit Accruals

It is assumed that members accrue one year of service credit per year.

GLOSSARY

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution (ADC).

<i>Actuarially Determined Contribution (ADC)</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADC consists of the Employer Normal Cost and Amortization Payment.
<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.



<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

Statement of Total Plan Assets at Market Value

Item	September 30	
	2023	2022
A. Cash and Short-Term Investments (Operating Cash)	\$ -	\$ 25,366,384
B. Receivables:		
1. Accounts Receivable	\$ 470,393	\$ 81,351
2. Interest and Dividends	1,982,477	1,985,159
3. Employer Contribution	403,219	27,290
4. Prepaid Items and Recoverable Taxes	-	-
5. Other Assets	98,118	399,075
6. Securities Lending Collateral	74,377,848	82,803,809
7. Deferred Outflows	461,447	70,447
8. Total Receivables	<u>\$ 77,793,502</u>	<u>\$ 85,367,131</u>
C. Property, Plant and Equipment		
1. Furniture and Equipment	\$ 311,510	\$ 311,510
2. Accumulated Depreciation	<u>(311,510)</u>	<u>(311,510)</u>
3. Net Total	\$ 0	\$ 0
D. Investments		
1. Cash and Cash Equivalents	\$ 59,483,149	\$ 18,542,690
2. Domestic and International Equities	1,280,178,835	1,284,566,586
3. Fixed Income Securities	448,863,669	211,493,584
4. Real Estate	306,383,562	334,610,244
5. Other Securities (Partnership)	137,350,441	123,092,173
6. Total Investments	<u>\$ 2,232,259,656</u>	<u>\$ 1,972,305,277</u>
E. Liabilities		
1. Accounts Payable	\$ (2,846,431)	\$ (2,531,466)
2. Other Post Employment Benefits	-	-
3. Securities Lending Obligations	(74,377,848)	(82,803,809)
4. Other Liabilities and Deferred Inflows	<u>(4,484,554)</u>	<u>(886,702)</u>
5. Total Liabilities	\$ (81,708,833)	\$ (86,221,977)
F. Total Market Value of Assets	\$ 2,228,344,325	\$ 1,996,816,815
G. Allocation of Investments		
1. Cash and Cash Equivalents	2.7%	1.0%
2. Domestic and International Equities	57.3%	65.1%
3. Fixed Income Securities	20.1%	10.7%
4. Real Estate	13.7%	17.0%
5. Other Securities (Partnership)	6.2%	6.2%
6. Total Investments	<u>100.0%</u>	<u>100.0%</u>



Reconciliation of Plan Assets

Item	September 30	
	2023	2022
A. Market Value at Beginning of Year	\$ 1,996,816,815	\$ 2,487,628,465
Beginning of Year Adjustment	125,008	(728,568)
Adjusted Market Value at Beginning of Year	\$ 1,996,941,823	\$ 2,486,899,897
B. Revenues and Expenditures		
1. Contributions		
a. Member Contributions	\$ 17,092,159	\$ 17,362,646
b. Plan Member Buybacks and Pension Transfers	699,270	914,588
c. Employer Contributions	156,847,592	157,352,434
d. Military Leave Pension Contributions	-	168,042
e. State Contributions	18,423,121	15,797,724
f. Court Fines and Penalties	584,921	666,933
g. Supplemental Payment	-	-
h. Miscellaneous	173,411	259,815
i. Total	\$ 193,820,474	\$ 192,522,182
2. Investment Income		
a. Parking and Rental Revenue	\$ 382,232	\$ 598,765
b. Securities Lending Net Revenue	135,120	220,700
c. Investment Income and Realized Gains	109,902,595	107,883,663
d. Unrealized Gains/(Losses)	175,731,615	(529,034,309)
e. Investment Expenses	(12,264,066)	(12,508,244)
f. Net Investment Income	\$ 273,887,496	\$ (432,839,425)
3. Benefits and Refunds		
a. Regular Monthly Benefits	\$ (187,016,748)	\$ (184,989,472)
b. Refunds	(1,078,315)	(1,579,603)
c. DROP Payments	(41,261,240)	(42,661,634)
d. Reserve Distributions	(4,405,095)	(18,389,187)
e. Total	\$ (233,761,398)	\$ (247,619,896)
4. Administrative and Miscellaneous Expenses	\$ (2,544,070)	\$ (2,145,943)
C. Market Value of Assets at End of Year	\$ 2,228,344,325	\$ 1,996,816,815



RESERVE ACCOUNT BALANCES AS OF SEPTEMBER 30, 2023

	City of Jacksonville Contribution <u>Reserve</u>	Balance to be Allocated to Police Officers and Firefighters	<u>TOTALS</u>
Account Value, 10/1/2022	\$ 5,249,583	\$ 2,927,313	\$ 8,176,896
Annual Retiree Bonus paid December 2022	-	(3,032,552)	(3,032,552)
Annual Earnings (13.70%)	719,193	66,365	785,558
Allocated Towards Required City Contribution	(146,246)	-	(146,246)
Receipt of FY 2023 Chapter Funds	-	18,423,121	18,423,121
Account Value, 9/30/2023	\$ 5,822,530	\$ 18,384,247	\$ 24,206,777

RECONCILIATION OF SHARE PLAN	
Account Value, 9/30/2022	\$ 8,892,314
Beginning of Year Adjustment	- 354,392
Contributions credited to accounts	+ 0
Investment Earnings credited (13.7%)	+ 1,107,023 ¹
Payments from accounts	- <u>945,259</u>
Account Value, 9/30/2023	8,699,686

RECONCILIATION OF JPPF SENIOR STAFF VOLUNTARY RETIREMENT TRUST FUND	
Account Value, 9/30/2022	\$ 3,538,585
Contributions credited to accounts	+ 15,240
Investment Earnings credited (13.7%)	+ 457,467 ¹
Payments from accounts	- <u>427,284</u>
Account Value, 9/30/2023	3,584,008

¹ 13.70% applied to beginning-of-year account value, and mid-year timing assumed on regular payments from accounts during the year.

Actuarial Value of Assets

Valuation Date - September 30	2022	2023	2024	2025	2026	2027
A. Actuarial Value of Assets Beginning of Year	\$ 2,225,699,110	\$ 2,279,837,637	\$ -	\$ -	\$ -	\$ -
B. Market Value End of Year	1,996,816,815	2,228,344,325	-	-	-	-
C. Market Value Beginning of Year	2,487,628,465	1,996,816,815	-	-	-	-
D. Non-Investment/Administrative Net Cash Flow	(57,972,225)	(42,359,986)	-	-	-	-
E. Investment Income						
E1. Actual Market Total: B-C-D	(432,839,425)	273,887,496	-	-	-	-
E2. Assumed Rate of Return	6.625%	6.50%	-	-	-	-
E3. Assumed Amount of Return ¹	170,891,608	129,946,622	-	-	-	-
E4. Amount Subject to Phase-In: E1-E3	(603,731,033)	143,940,874	-	-	-	-
F. Phase-In Recognition of Investment Income						
F1. Current Year: 0.2 x E4	(120,746,207)	28,788,175	-	-	-	-
F2. First Prior Year	68,975,770	(120,746,207)	28,788,175	-	-	-
F3. Second Prior Year	3,923,923	68,975,770	(120,746,207)	28,788,175	-	-
F4. Third Prior Year	(14,811,146)	3,923,923	68,975,770	(120,746,207)	28,788,175	-
F5. Fourth Prior Year	3,876,804	(14,811,148)	3,923,921	68,975,768	(120,746,205)	28,788,174
F6. Total Phase-Ins	(58,780,856)	(33,869,487)	(19,058,341)	(22,982,264)	(91,958,030)	28,788,174
G. Actuarial Value of Assets End of Year						
G1. Preliminary Actuarial Value of Assets End of Year	\$ 2,279,837,637	\$ 2,333,554,786	\$ -	\$ -	\$ -	\$ -
G2. Upper Corridor Limit: 120%*B	2,396,180,178	2,674,013,190	-	-	-	-
G3. Lower Corridor Limit: 80%*B	1,597,453,452	1,782,675,460	-	-	-	-
G4. Funding Value End of Year	2,279,837,637	2,333,554,786	-	-	-	-
G5. Less: Reserve Accounts, including Share Plan	(17,069,210)	(32,906,463)	-	-	-	-
G6. Less: Sr. Staff Plan Assets	(3,538,585)	(3,584,008)	-	-	-	-
G7. Final Funding Value End of Year	2,259,229,842	2,297,064,315	-	-	-	-
G8. Final Market Value End of Year	1,976,209,020	2,191,853,854	-	-	-	-
H. Difference between Market & Actuarial Value of Assets	(283,020,822)	(105,210,461)	-	-	-	-
I. Actuarial Rate of Return (net money-weighted)¹	4.84%	4.21%	0.00%	0.00%	0.00%	0.00%
J. Market Value Rate of Return (net money-weighted)	-16.78%	13.70%	0.00%	0.00%	0.00%	0.00%
K. Ratio of Actuarial Value of Assets to Market Value	114.17%	104.72%	0.00%	0.00%	0.00%	0.00%

¹Derived based on the net money-weighted rate of return on the market value of assets provided by the Plan's investment consultant, which was 13.70% for the fiscal year ended September 30, 2023 and -16.78% for the fiscal year ended September 30, 2022.



Period Ending	Net Investment Rate of Return	
	Total Market Value	Total Actuarial Value
9/30/2008	(13.1) %	N/A
9/30/2009	(1.7)	(1.6) %
9/30/2010	8.5	0.4
9/30/2011	0.1	(2.4)
9/30/2012	18.3	4.3
9/30/2013	14.3	14.3 *
9/30/2014	10.7	10.7 *
9/30/2015	(4.0)	(4.0) *
9/30/2016	10.0	10.0 *
9/30/2017	14.3	14.3 *
9/30/2018	8.0	7.2 **
9/30/2019	3.0	6.5 **
9/30/2020	8.0	6.5 **
9/30/2021	23.2	9.7 **
9/30/2022	(16.8)	4.8 **
9/30/2023	13.7	4.2 **
Average Returns:		
Last 3 Years	5.2 %	6.2 %
Last 5 Years	5.3 %	6.3 %
Last 10 Years	6.5 %	6.9 %
All Years Shown Above	5.5 %	5.5 %

*For YE 9/30/2013 to YE 9/30/2017 the Actuarial Value is equal to the Market Value.

**Beginning 9/30/2018 the Actuarial Value of Assets uses a five-year smoothing method.

The above rates are based on the retirement system's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.



SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION		
A. Valuation Date	October 1, 2023	October 1, 2022
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 3,902,817,450	\$ 3,711,232,990
b. Terminated Vested Members	32,044,982	29,955,474
c. Other Members	<u>1,027,391,636</u>	<u>999,029,523</u>
d. Total	4,962,254,068	4,740,217,987
2. Non-Vested Benefits	30,227,244	30,604,174
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	4,992,481,312	4,770,822,161
4. Accumulated Contributions of Active Members	127,710,913	125,251,287
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	4,770,822,161	4,433,476,462
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendments	0	0
b. Change in Actuarial Assumptions	0	79,835,030
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	451,015,454	486,741,378
d. Benefits Paid (Net of Reserves)	<u>(229,356,303)</u>	<u>(229,230,709)</u>
e. Net Increase	221,659,151	337,345,699
3. Total Value at End of Period	4,992,481,312	4,770,822,161
D. Net Market Value of Assets	2,191,853,854	1,976,209,020
E. Funded Ratio Using Net Market Value: D / C3	43.9%	41.4%
F. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SUMMARY OF DISCLOSURES

GASB Statement No. 67

Actuarial Valuation Date	September 30, 2023
Pension Plan's Fiscal Year Ending Date (Asset Measurement Date & Reporting Date)	September 30, 2023

Membership

Number of	
- Retirees and Beneficiaries	3,410
- Inactive, Nonretired Members	100
- Active Members	1,732
- Total	5,242
Covered Payroll	\$ 159,542,895

Net Pension Liability

Total Pension Liability	\$ 5,166,668,244
Total Plan Fiduciary Net Position	2,224,760,317
City's Net Pension Liability	\$ 2,941,907,927
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	43.06%
Net Pension Liability as a Percentage of Covered Payroll	1,843.96%

Development of the Single Discount Rate

Single Discount Rate	6.50%
Long-Term Expected Rate of Return	6.50%
Long-Term Municipal Bond Rate*	4.63%
Last year ending September 30 in the 2024 to 2123 projection period for which projected benefit payments are fully funded	2123

* Source: Fidelity General Obligation AA rate as of September 29, 2023. This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Investments' "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.



SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

GASB Statement No. 67

Fiscal year ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 74,921,572	\$ 71,816,810	\$ 71,448,042	\$ 70,109,932	\$ 65,147,956	\$ 60,154,158	\$ 45,257,077	\$ 44,087,089	\$ 46,662,780	\$ 47,915,012
Interest on the Total Pension Liability	318,080,956	301,236,742	292,913,908	283,845,921	269,658,004	259,433,546	233,338,035	217,546,212	210,942,612	203,577,435
Benefit Changes	-	-	-	2,706,557	-	-	26,818,328	-	(28,684,960)	-
Difference between actual & expected experience	55,615,312	114,062,428	10,351,290	3,122,601	8,465,296	8,132,052	24,030,616	3,566,449	24,831,339	22,671,112
Assumption Changes	-	80,999,642	162,092,668	56,025,218	-	-	232,927,458	97,813,304	24,514,349	-
Benefit Payments	(228,277,988)	(227,651,106)	(208,127,640)	(192,399,945)	(188,392,606)	(183,474,634)	(170,465,766)	(159,726,007)	(148,628,476)	(138,179,183)
Refunds	(1,078,315)	(1,579,603)	(1,387,209)	(715,829)	(732,596)	(782,240)	(811,383)	-	-	-
Distributions from Reserve Accounts	(3,977,811)	(18,012,991)	(15,237,677)	(24,557,185)	(55,472,334)	-	-	-	-	-
Other (Adj. to Report on Gross Basis and Net Changes in Reserves)	17,922,483	15,797,724	556,047	(3,075,278)	110,374,742	-	-	-	-	-
Net Change in Total Pension Liability	233,206,209	336,669,646	312,609,429	195,061,992	209,048,462	143,462,882	391,094,365	203,287,047	129,637,644	135,984,376
Total Pension Liability - Beginning	4,933,462,035	4,596,792,389	4,284,182,960	4,089,120,968	3,880,072,506	3,736,609,624	3,345,515,259	3,142,228,212	3,012,590,568	2,876,606,192
Total Pension Liability - Ending (a)	\$ 5,166,668,244	\$ 4,933,462,035	\$ 4,596,792,389	\$ 4,284,182,960	\$ 4,089,120,968	\$ 3,880,072,506	\$ 3,736,609,624	\$ 3,345,515,259	\$ 3,142,228,212	\$ 3,012,590,568
Plan Fiduciary Net Position										
Contributions - Employer (City) (Including Buyback)	\$ 156,847,592	\$ 157,520,476	\$ 134,725,329	\$ 123,328,488	\$ 110,527,718	\$ 115,690,989	\$ 184,526,198	\$ 157,494,371	\$ 154,664,523	\$ 150,520,270
Contributions - Employer (State)	18,423,121	15,797,724	14,306,665	13,888,871	12,756,091	11,791,197	10,874,768	10,680,624	10,577,853	10,110,493
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-	-
Contributions - Employee (Including Buyback)	17,791,429	18,277,234	19,118,319	19,035,433	17,745,867	16,636,624	13,570,483	12,830,861	12,061,321	11,583,565
Net Investment Income, including Securities Lending	273,430,029	(432,099,625)	490,416,930	159,428,214	54,129,569	156,442,808	243,421,930	154,313,142	(62,884,634)	147,332,798
Benefit Payments	(228,277,988)	(227,651,106)	(208,127,640)	(192,399,945)	(188,392,606)	(183,474,634)	(170,465,766)	(159,726,007)	(148,628,476)	(138,179,183)
Distributions from Reserve Accounts	(3,977,811)	(18,012,991)	(15,237,677)	(24,557,185)	(55,472,334)	-	-	-	-	-
Refunds	(1,078,315)	(1,579,603)	(1,387,209)	(715,829)	(732,596)	(782,240)	(811,383)	-	-	-
Administrative Expense	(2,544,070)	(2,145,943)	(2,204,771)	(2,184,754)	(2,116,593)	(2,137,969)	(2,173,617)	(3,519,224)	(2,228,452)	(2,224,248)
Court Fines	584,921	666,933	724,217	519,212	701,652	775,741	759,291	832,536	920,774	881,291
Other	283,179	(517,784)	(33,717)	672,843	(3,261,537)	82,245	51,404	122,886	327,418	141,855
Net Change in Plan Fiduciary Net Position	231,482,087	(489,744,685)	432,300,446	97,015,348	(54,114,769)	115,024,761	279,753,308	173,029,189	(35,189,673)	180,166,841
Cummulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	2,238,000	-	-
Plan Fiduciary Net Position - Beginning (adjusted)	1,993,278,230	2,483,022,915	2,050,722,469	1,953,707,121	2,007,821,890	1,892,797,131	1,613,043,823	1,437,776,634	1,473,097,052	1,292,930,211
Plan Fiduciary Net Position - Ending	\$ 2,224,760,317	\$ 1,993,278,230	\$ 2,483,022,915	\$ 2,050,722,469	\$ 1,953,707,121	\$ 2,007,821,892	\$ 1,892,797,131	\$ 1,613,043,823	\$ 1,437,907,379	\$ 1,473,097,052
less Reserve Accounts and Sr. Staff Assets	-	-	-	-	-	(126,819,144)	(127,638,125)	(99,645,357)	(83,502,014)	(83,349,437)
Total Plan Fiduciary Net Position - Ending (b)	\$ 2,224,760,317	\$ 1,993,278,230	\$ 2,483,022,915	\$ 2,050,722,469	\$ 1,953,707,121	\$ 1,881,002,748	\$ 1,765,159,006	\$ 1,513,398,466	\$ 1,354,405,365	\$ 1,389,747,615
City's Net Pension Liability - Ending (a) - (b)	\$ 2,941,907,927	\$ 2,940,183,805	\$ 2,113,769,474	\$ 2,233,460,491	\$ 2,135,413,847	\$ 1,999,069,758	\$ 1,971,450,618	\$ 1,832,116,793	\$ 1,787,822,847	\$ 1,622,842,953
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	43.06 %	40.40 %	54.02 %	47.87 %	47.78 %	48.48 %	47.24 %	45.24 %	43.10 %	46.13 %
Covered Payroll	\$ 159,542,895	\$ 162,885,451	\$ 161,835,740	\$ 174,185,559	\$ 174,124,935	\$ 162,003,561	\$ 149,489,571	\$ 135,599,741	\$ 132,735,243	\$ 134,521,216
Net Pension Liability as a Percentage of Covered Payroll	1,843.96 %	1,805.06 %	1,306.12 %	1,282.23 %	1,226.37 %	1,233.97 %	1,318.79 %	1,351.12 %	1,346.91 %	1,206.38 %



SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

GASB Statement No. 67

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 3,012,590,568	\$ 1,389,747,615	\$ 1,622,842,953	46.13%	\$ 134,521,216	1,206.38%
2015	3,142,228,212	1,354,405,365	1,787,822,847	43.10%	132,735,243	1,346.91%
2016	3,345,515,259	1,513,398,466	1,832,116,793	45.24%	135,599,741	1,351.12%
2017	3,736,609,624	1,765,159,006	1,971,450,618	47.24%	149,489,571	1,318.79%
2018	3,880,072,506	1,881,002,748	1,999,069,758	48.48%	162,003,561	1,233.97%
2019	4,089,120,968	1,953,707,121	2,135,413,847	47.78%	174,124,935	1,226.37%
2020	4,284,182,960	2,050,722,469	2,233,460,491	47.87%	174,185,559	1,282.23%
2021	4,596,792,389	2,483,022,915	2,113,769,474	54.02%	161,835,740	1,306.12%
2022	4,933,462,035	1,993,278,230	2,940,183,805	40.40%	162,885,451	1,805.06%
2023	5,166,668,244	2,224,760,317	2,941,907,927	43.06%	159,542,895	1,843.96%



NOTES TO NET PENSION LIABILITY

GASB Statement No. 67

Valuation Date: September 30, 2023
Measurement Date: September 30, 2023

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	A range of 2.75% to 11.50%, depending on completed years of service, including inflation.
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for postretirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2023 Actuarial Valuation Report.

SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess) ¹	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$142,432,577	\$149,158,659	\$ (6,726,082)	\$134,521,216	110.88%
2015	153,603,996	153,935,565	(331,569)	132,735,243	115.97%
2016	149,499,492	149,499,492 *	-	135,599,741	110.25%
2017	167,788,151	167,788,151 **	-	149,489,571	112.24%
2018	135,648,057	115,690,989	19,957,068 ***	162,003,561	71.41%
2019	135,264,010	110,527,718	24,736,292 ***	174,124,935	63.48%
2020	140,292,637	123,328,488	16,964,149 ***	174,185,559	70.80%
2021	148,475,947	134,725,329	13,750,618 ***	161,835,740	83.25%
2022	157,352,434	157,352,434	-	162,885,451	96.60%
2023	156,993,838	156,847,592	146,246 ***	159,542,895	98.31%

¹Contribution deficiency (excess) was assigned to the City Budget Stabilization Account prior to fiscal year ending September 30, 2016.

*Plus \$5,000,000 Supplemental Payment

**Plus \$10,000,000 Supplemental Payment

***Contributions of \$20,000,000, \$24,736,292, \$16,964,149, \$13,750,618, and \$146,246 were allocated from the City Contribution Reserve (resulting from previous years' excess contributions) to fully meet the Actuarially Determined Contributions for fiscal years ending September 30, 2018, 2019, 2020, 2021 and 2023, respectively.



NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

Valuation Date: October 1, 2021
Notes Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	5-year smoothed market
Inflation	2.25%
Salary Increases	A range of 2.75% to 11.50%, depending on completed years of service, including inflation.
Investment Rate of Return	6.625%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for postretirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2021 Actuarial Valuation Report, dated May 17, 2022.



SINGLE DISCOUNT RATE

GASB Statement No. 67

A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.50%	6.50%	7.50%
\$3,708,959,597	\$2,941,907,927	\$2,325,364,683

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 67

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, future pension liability surtax revenue (using the prescribed annual increase assumption of 4.25%, which was set by the City of Jacksonville), employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

We are unable to assess the risk that the timing and/or amount of future pension liability surtax proceeds may significantly deviate from the projections (due to legal challenges, economic hardships, or any other reason). Any such deviations could have a significant impact on the required contribution amount shown herein and on the future solvency risk that the Fund’s future assets may be insufficient to cover all future benefit payments.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on the Bond Buyer 20-Bond Index of general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 4.63%; and the resulting single discount rate is 6.50%.

The tables in this section provide background for the development of the single discount rate.

The **Projection of Contributions** table shows the development of expected contributions in future years.

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The Present Values of Projected Benefit Payments table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.



SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION OF CONTRIBUTIONS ENDING SEPTEMBER 30 FOR 2024 TO 2073

Year	Payroll for Current	Contributions from	Service Cost and	UAL	Pension Liability	Additional	Total Contributions
	Employees	Current Employees	Expense	Contributions	Surtax	Contributions	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)=(b)+(c)+(d)+(e)+(f)
1	159,542,895	\$ 16,464,641	\$ 61,950,076	\$ 115,642,652	\$ -	\$ -	\$ 194,057,369
2	151,242,592	15,608,060	58,948,477	116,825,228	-	-	191,381,765
3	141,091,802	14,560,510	55,221,932	118,285,543	-	-	188,067,985
4	134,332,522	13,862,960	52,809,661	119,764,113	-	-	186,436,734
5	125,545,680	12,956,168	49,612,131	121,261,164	-	-	183,829,463
6	117,643,759	12,140,699	46,801,006	122,776,929	-	-	181,718,634
7	107,870,386	11,132,098	43,316,240	124,311,640	-	-	178,759,978
8	97,444,536	10,056,163	39,514,892	125,865,536	74,125,637	-	249,562,228
9	92,657,389	9,562,135	37,786,088	127,438,855	103,034,636	-	277,821,714
10	88,246,512	9,106,937	36,207,239	129,031,841	107,413,608	-	281,759,624
11	81,911,774	8,453,200	33,927,265	130,644,739	111,978,686	-	285,003,890
12	73,041,253	7,537,772	30,660,995	132,277,798	116,737,780	-	287,214,346
13	61,653,763	6,362,597	26,466,797	133,931,270	121,699,136	-	288,459,800
14	50,736,481	5,235,946	22,495,563	135,605,411	126,871,349	-	290,208,269
15	36,704,427	3,787,854	17,342,299	137,300,479	132,263,382	-	290,694,013
16	24,627,790	2,541,559	12,951,645	139,016,735	137,884,575	-	292,394,514
17	18,280,773	1,886,555	10,659,474	140,754,444	143,744,670	-	297,045,142
18	14,105,515	1,455,673	9,177,983	142,513,874	149,853,818	-	303,001,349
19	10,623,888	1,096,373	7,951,840	144,295,298	156,222,606	-	309,566,117
20	7,758,617	800,680	6,954,587	146,098,989	162,862,066	-	316,716,323
21	5,352,097	552,330	6,129,802	147,925,226	169,783,704	-	324,391,063
22	3,238,565	334,216	5,418,020	149,774,292	176,999,512	-	332,526,040
23	2,007,163	207,137	5,044,095	151,646,470	184,521,991	-	341,419,693
24	678,489	70,019	4,632,922	153,542,051	192,364,176	-	350,609,168
25	-	-	4,478,404	155,461,327	200,539,653	-	360,479,384
26	-	-	4,579,169	-	209,062,588	105,420,831	319,062,588
27	-	-	4,682,200	-	217,947,748	105,317,800	327,947,748
28	-	-	4,787,550	-	227,210,528	105,212,450	337,210,528
29	-	-	4,895,270	-	236,866,975	105,104,730	346,866,975
30	-	-	5,005,413	-	246,933,821	104,994,587	356,933,821
31	-	-	5,118,035	-	257,428,509	104,881,965	367,428,509
32	-	-	5,233,190	-	268,369,220	104,766,810	378,369,220
33	-	-	5,350,937	-	-	-	5,350,937
34	-	-	5,471,333	-	-	-	5,471,333
35	-	-	5,594,438	-	-	-	5,594,438
36	-	-	5,720,313	-	-	-	5,720,313
37	-	-	5,849,020	-	-	-	5,849,020
38	-	-	5,980,623	-	-	-	5,980,623
39	-	-	6,115,187	-	-	-	6,115,187
40	-	-	6,252,779	-	-	-	6,252,779
41	-	-	6,393,467	-	-	-	6,393,467
42	-	-	6,537,320	-	-	-	6,537,320
43	-	-	6,684,410	-	-	-	6,684,410
44	-	-	6,834,808	-	-	-	6,834,808
45	-	-	6,988,591	-	-	-	6,988,591
46	-	-	7,145,834	-	-	-	7,145,834
47	-	-	7,306,616	-	-	-	7,306,616
48	-	-	7,471,015	-	-	-	7,471,015
49	-	-	7,639,112	-	-	-	7,639,112
50	-	-	7,810,992	-	-	-	7,810,992



SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION OF CONTRIBUTIONS ENDING SEPTEMBER 30 FOR 2074 TO 2123

Year	Payroll for Current	Contributions from	Service Cost and	UAL	Pension Liability	Additional	Total Contributions
	Employees	Current Employees	Expense	Contributions	Surtax	Contributions	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)=(b)+(c)+(d)+(e)+(f)
51	-	-	7,986,740	-	-	-	7,986,740
52	-	-	8,166,441	-	-	-	8,166,441
53	-	-	8,350,185	-	-	-	8,350,185
54	-	-	8,538,065	-	-	-	8,538,065
55	-	-	8,730,172	-	-	-	8,730,172
56	-	-	8,926,600	-	-	-	8,926,600
57	-	-	9,127,449	-	-	-	9,127,449
58	-	-	9,332,817	-	-	-	9,332,817
59	-	-	9,542,805	-	-	-	9,542,805
60	-	-	9,757,518	-	-	-	9,757,518
61	-	-	9,977,062	-	-	-	9,977,062
62	-	-	10,201,547	-	-	-	10,201,547
63	-	-	10,431,081	-	-	-	10,431,081
64	-	-	10,665,780	-	-	-	10,665,780
65	-	-	10,905,760	-	-	-	10,905,760
66	-	-	11,151,140	-	-	-	11,151,140
67	-	-	11,402,041	-	-	-	11,402,041
68	-	-	11,658,587	-	-	-	11,658,587
69	-	-	11,920,905	-	-	-	11,920,905
70	-	-	12,189,125	-	-	-	12,189,125
71	-	-	12,463,380	-	-	-	12,463,380
72	-	-	12,743,807	-	-	-	12,743,807
73	-	-	13,030,543	-	-	-	13,030,543
74	-	-	13,323,729	-	-	-	13,323,729
75	-	-	13,623,514	-	-	-	13,623,514
76	-	-	13,930,043	-	-	-	13,930,043
77	-	-	14,243,469	-	-	-	14,243,469
78	-	-	14,563,947	-	-	-	14,563,947
79	-	-	14,891,636	-	-	-	14,891,636
80	-	-	15,226,697	-	-	-	15,226,697
81	-	-	15,569,298	-	-	-	15,569,298
82	-	-	15,919,607	-	-	-	15,919,607
83	-	-	16,277,798	-	-	-	16,277,798
84	-	-	16,644,049	-	-	-	16,644,049
85	-	-	17,018,540	-	-	-	17,018,540
86	-	-	17,401,457	-	-	-	17,401,457
87	-	-	17,792,990	-	-	-	17,792,990
88	-	-	18,193,333	-	-	-	18,193,333
89	-	-	18,602,682	-	-	-	18,602,682
90	-	-	19,021,242	-	-	-	19,021,242
91	-	-	19,449,220	-	-	-	19,449,220
92	-	-	19,886,828	-	-	-	19,886,828
93	-	-	20,334,281	-	-	-	20,334,281
94	-	-	20,791,803	-	-	-	20,791,803
95	-	-	21,259,619	-	-	-	21,259,619
96	-	-	21,737,960	-	-	-	21,737,960
97	-	-	22,227,064	-	-	-	22,227,064
98	-	-	22,727,172	-	-	-	22,727,172
99	-	-	23,238,534	-	-	-	23,238,534
100	-	-	23,761,401	-	-	-	23,761,401



SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION OF PLAN FIDUCIARY NET POSITION ENDING SEPTEMBER 30 FOR 2024 TO 2073

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 6.50%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 2,191,853,854	\$ 194,057,369	\$ 234,086,010	\$ 2,625,451	\$ 141,106,066	\$ 2,290,305,828
2	2,290,305,828	191,381,765	241,494,729	2,684,524	147,180,973	2,384,689,313
3	2,384,689,313	188,067,985	257,352,137	2,744,926	152,700,712	2,465,360,947
4	2,465,360,947	186,436,734	279,452,142	2,806,686	157,183,269	2,526,722,121
5	2,526,722,121	183,829,463	289,233,084	2,869,837	160,773,446	2,579,222,109
6	2,579,222,109	181,718,634	306,110,944	2,934,408	163,576,463	2,615,471,853
7	2,615,471,853	178,759,978	324,643,077	3,000,433	165,243,129	2,631,831,450
8	2,631,831,450	249,562,228	333,231,711	3,067,943	168,294,455	2,713,388,480
9	2,713,388,480	277,821,714	349,843,758	3,136,971	173,966,037	2,812,195,501
10	2,812,195,501	281,759,624	360,421,973	3,207,553	180,173,823	2,910,499,422
11	2,910,499,422	285,003,890	375,792,963	3,279,723	186,173,355	3,002,603,981
12	3,002,603,981	287,214,346	392,516,433	3,353,516	191,693,543	3,085,641,921
13	3,085,641,921	288,459,800	399,278,176	3,428,970	196,912,138	3,168,306,713
14	3,168,306,713	290,208,269	407,874,330	3,506,122	202,063,835	3,249,198,366
15	3,249,198,366	290,694,013	417,704,907	3,585,009	207,020,343	3,325,622,807
16	3,325,622,807	292,394,514	430,827,783	3,665,671	211,619,969	3,395,143,836
17	3,395,143,836	297,045,142	446,637,417	3,748,149	215,779,239	3,457,582,652
18	3,457,582,652	303,001,349	456,525,213	3,832,482	219,709,299	3,519,935,604
19	3,519,935,604	309,566,117	474,626,336	3,918,713	223,390,453	3,574,347,126
20	3,574,347,126	316,716,323	486,957,369	4,006,884	226,758,656	3,626,857,852
21	3,626,857,852	324,391,063	491,517,012	4,097,038	230,268,616	3,685,903,480
22	3,685,903,480	332,526,040	495,945,463	4,189,222	234,222,198	3,752,517,033
23	3,752,517,033	341,419,693	498,958,737	4,283,479	238,737,168	3,829,431,678
24	3,829,431,678	350,609,168	501,106,932	4,379,858	243,958,776	3,918,512,832
25	3,918,512,832	360,479,384	502,473,155	4,478,404	250,017,928	4,022,058,584
26	4,022,058,584	319,062,588	503,388,016	4,579,169	255,391,057	4,088,545,045
27	4,088,545,045	327,947,748	503,369,483	4,682,200	259,994,196	4,168,435,307
28	4,168,435,307	337,210,528	502,291,900	4,787,550	265,514,465	4,264,080,849
29	4,264,080,849	346,866,975	500,230,917	4,895,270	272,102,801	4,377,924,438
30	4,377,924,438	356,933,821	497,142,701	5,005,413	279,919,920	4,512,630,065
31	4,512,630,065	367,428,509	492,756,886	5,118,035	289,148,186	4,671,331,839
32	4,671,331,839	378,369,220	487,384,670	5,233,190	299,981,942	4,857,065,141
33	4,857,065,141	5,350,937	479,182,704	5,350,937	300,380,960	4,678,263,397
34	4,678,263,397	5,471,333	468,563,512	5,471,333	289,098,537	4,498,798,422
35	4,498,798,422	5,594,438	460,454,402	5,594,438	277,692,711	4,316,036,731
36	4,316,036,731	5,720,313	451,091,445	5,720,313	266,112,707	4,131,057,993
37	4,131,057,993	5,849,020	440,098,543	5,849,020	254,440,734	3,945,400,184
38	3,945,400,184	5,980,623	429,899,799	5,980,623	242,699,217	3,758,199,602
39	3,758,199,602	6,115,187	417,921,610	6,115,187	230,914,342	3,571,192,334
40	3,571,192,334	6,252,779	406,152,476	6,252,779	219,135,345	3,384,175,203
41	3,384,175,203	6,393,467	392,802,534	6,393,467	207,406,275	3,198,778,944
42	3,198,778,944	6,537,320	378,060,455	6,537,320	195,827,093	3,016,545,582
43	3,016,545,582	6,684,410	364,802,435	6,684,410	184,406,027	2,836,149,174
44	2,836,149,174	6,834,808	351,196,779	6,834,808	173,115,483	2,658,067,878
45	2,658,067,878	6,988,591	337,177,844	6,988,591	161,988,642	2,482,878,676
46	2,482,878,676	7,145,834	321,901,229	7,145,834	151,090,018	2,312,067,465
47	2,312,067,465	7,306,616	305,569,953	7,306,616	140,509,700	2,147,007,212
48	2,147,007,212	7,471,015	289,688,567	7,471,015	130,288,803	1,987,607,448
49	1,987,607,448	7,639,112	272,277,907	7,639,112	120,484,757	1,835,814,298
50	1,835,814,298	7,810,992	255,432,683	7,810,992	111,157,054	1,691,538,669

Reserve Accounts and Sr. Staff Plan Assets are excluded from the Plan Net Position for the purpose of this projection.



SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION OF PLAN FIDUCIARY NET POSITION ENDING SEPTEMBER 30 FOR 2074 TO 2123

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 6.50%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	1,691,538,669	7,986,740	240,256,260	7,986,740	102,264,607	1,553,547,016
52	1,553,547,016	8,166,441	225,613,115	8,166,441	93,763,560	1,421,697,461
53	1,421,697,461	8,350,185	211,331,830	8,350,185	85,650,174	1,296,015,805
54	1,296,015,805	8,538,065	197,330,742	8,538,065	77,928,738	1,176,613,801
55	1,176,613,801	8,730,172	183,627,766	8,730,172	70,605,944	1,063,591,979
56	1,063,591,979	8,926,600	170,217,964	8,926,600	63,688,483	957,062,498
57	957,062,498	9,127,449	157,200,270	9,127,449	57,180,482	857,042,710
58	857,042,710	9,332,817	144,621,732	9,332,817	51,081,562	763,502,540
59	763,502,540	9,542,805	132,430,574	9,542,805	45,391,427	676,463,393
60	676,463,393	9,757,518	120,813,760	9,757,518	40,105,485	595,755,118
61	595,755,118	9,977,062	109,736,100	9,977,062	35,213,803	521,232,821
62	521,232,821	10,201,547	99,099,151	10,201,547	30,710,113	452,843,783
63	452,843,783	10,431,081	88,938,344	10,431,081	26,589,853	390,495,292
64	390,495,292	10,665,780	79,285,600	10,665,780	22,845,977	334,055,669
65	334,055,669	10,905,760	70,172,096	10,905,760	19,468,927	283,352,500
66	283,352,500	11,151,140	61,624,881	11,151,140	16,446,633	238,174,252
67	238,174,252	11,402,041	53,665,312	11,402,041	13,764,660	198,273,600
68	198,273,600	11,658,587	46,311,265	11,658,587	11,406,362	163,368,697
69	163,368,697	11,920,905	39,575,880	11,920,905	9,352,997	133,145,814
70	133,145,814	12,189,125	33,467,204	12,189,125	7,583,917	107,262,527
71	107,262,527	12,463,380	27,985,574	12,463,380	6,076,851	85,353,804
72	85,353,804	12,743,807	23,122,575	12,743,807	4,808,344	67,039,573
73	67,039,573	13,030,543	18,860,870	13,030,543	3,754,244	51,932,947
74	51,932,947	13,323,729	15,175,807	13,323,729	2,890,192	39,647,332
75	39,647,332	13,623,514	12,034,426	13,623,514	2,192,115	29,805,021
76	29,805,021	13,930,043	9,397,495	13,930,043	1,636,716	22,044,242
77	22,044,242	14,243,469	7,219,729	14,243,469	1,201,928	16,026,441
78	16,026,441	14,563,947	5,451,847	14,563,947	867,323	11,441,917
79	11,441,917	14,891,636	4,042,398	14,891,636	614,415	8,013,934
80	8,013,934	15,226,697	2,939,998	15,226,697	426,860	5,500,796
81	5,500,796	15,569,298	2,095,012	15,569,298	290,536	3,696,320
82	3,696,320	15,919,607	1,461,105	15,919,607	193,522	2,428,737
83	2,428,737	16,277,798	996,000	16,277,798	126,008	1,558,745
84	1,558,745	16,644,049	662,779	16,644,049	80,117	976,083
85	976,083	17,018,540	429,933	17,018,540	49,693	595,843
86	595,843	17,401,457	271,547	17,401,457	30,043	354,339
87	354,339	17,792,990	166,886	17,792,990	17,694	205,147
88	205,147	18,193,333	99,771	18,193,333	10,143	115,519
89	115,519	18,602,682	58,007	18,602,682	5,653	63,165
90	63,165	19,021,242	32,724	19,021,242	3,059	33,500
91	33,500	19,449,220	17,929	19,449,220	1,604	17,175
92	17,175	19,886,828	9,519	19,886,828	812	8,468
93	8,468	20,334,281	4,891	20,334,281	394	3,971
94	3,971	20,791,803	2,418	20,791,803	181	1,734
95	1,734	21,259,619	1,121	21,259,619	77	690
96	690	21,737,960	478	21,737,960	30	242
97	242	22,227,064	183	22,227,064	10	69
98	69	22,727,172	60	22,727,172	3	12
99	12	23,238,534	12	23,238,534	-	-
100	-	23,761,401	-	23,761,401	-	-

Reserve Accounts and Sr. Staff Plan Assets are excluded from the Plan Net Position for the purpose of this projection.



SINGLE DISCOUNT RATE DEVELOPMENT PRESENT VALUES OF PROJECTED BENEFITS ENDING SEPTEMBER 30 FOR 2024 TO 2073

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{((a)-.5)}	(g)=(e)*vf ^{^((a)-.5)}	(h)={(c)/((1+sdr) ^{^((a)-.5)} }
1	\$ 2,191,853,854	\$ 234,086,010	\$ 234,086,010	\$ -	\$ 226,830,085	\$ -	\$ 226,830,085
2	2,290,305,828	241,494,729	241,494,729	-	219,726,908	-	219,726,908
3	2,384,689,313	257,352,137	257,352,137	-	219,863,815	-	219,863,815
4	2,465,360,947	279,452,142	279,452,142	-	224,173,265	-	224,173,265
5	2,526,722,121	289,233,084	289,233,084	-	217,858,613	-	217,858,613
6	2,579,222,109	306,110,944	306,110,944	-	216,499,060	-	216,499,060
7	2,615,471,853	324,643,077	324,643,077	-	215,592,523	-	215,592,523
8	2,631,831,450	333,231,711	333,231,711	-	207,789,819	-	207,789,819
9	2,713,388,480	349,843,758	349,843,758	-	204,834,197	-	204,834,197
10	2,812,195,501	360,421,973	360,421,973	-	198,148,134	-	198,148,134
11	2,910,499,422	375,792,963	375,792,963	-	193,989,294	-	193,989,294
12	3,002,603,981	392,516,433	392,516,433	-	190,255,559	-	190,255,559
13	3,085,641,921	399,278,176	399,278,176	-	181,721,149	-	181,721,149
14	3,168,306,713	407,874,330	407,874,330	-	174,303,725	-	174,303,725
15	3,249,198,366	417,704,907	417,704,907	-	167,610,131	-	167,610,131
16	3,325,622,807	430,827,783	430,827,783	-	162,324,764	-	162,324,764
17	3,395,143,836	446,637,417	446,637,417	-	158,010,728	-	158,010,728
18	3,457,582,652	456,525,213	456,525,213	-	151,651,473	-	151,651,473
19	3,519,935,604	474,626,336	474,626,336	-	148,041,708	-	148,041,708
20	3,574,347,126	486,957,369	486,957,369	-	142,617,753	-	142,617,753
21	3,626,857,852	491,517,012	491,517,012	-	135,167,286	-	135,167,286
22	3,685,903,480	495,945,463	495,945,463	-	128,061,137	-	128,061,137
23	3,752,517,033	498,958,737	498,958,737	-	120,975,787	-	120,975,787
24	3,829,431,678	501,106,932	501,106,932	-	114,081,344	-	114,081,344
25	3,918,512,832	502,473,155	502,473,155	-	107,410,682	-	107,410,682
26	4,022,058,584	503,388,016	503,388,016	-	101,038,729	-	101,038,729
27	4,088,545,045	503,369,483	503,369,483	-	94,868,553	-	94,868,553
28	4,168,435,307	502,291,900	502,291,900	-	88,887,760	-	88,887,760
29	4,264,080,849	500,230,917	500,230,917	-	83,120,225	-	83,120,225
30	4,377,924,438	497,142,701	497,142,701	-	77,565,329	-	77,565,329
31	4,512,630,065	492,756,886	492,756,886	-	72,188,774	-	72,188,774
32	4,671,331,839	487,384,670	487,384,670	-	67,043,892	-	67,043,892
33	4,857,065,141	479,182,704	479,182,704	-	61,892,622	-	61,892,622
34	4,678,263,397	468,563,512	468,563,512	-	56,827,245	-	56,827,245
35	4,498,798,422	460,454,402	460,454,402	-	52,435,469	-	52,435,469
36	4,316,036,731	451,091,445	451,091,445	-	48,234,026	-	48,234,026
37	4,131,057,993	440,098,543	440,098,543	-	44,186,464	-	44,186,464
38	3,945,400,184	429,899,799	429,899,799	-	40,528,166	-	40,528,166
39	3,758,199,602	417,921,610	417,921,610	-	36,994,310	-	36,994,310
40	3,571,192,334	406,152,476	406,152,476	-	33,758,225	-	33,758,225
41	3,384,175,203	392,802,534	392,802,534	-	30,655,977	-	30,655,977
42	3,198,778,944	378,060,455	378,060,455	-	27,704,641	-	27,704,641
43	3,016,545,582	364,802,435	364,802,435	-	25,101,484	-	25,101,484
44	2,836,149,174	351,196,779	351,196,779	-	22,690,423	-	22,690,423
45	2,658,067,878	337,177,844	337,177,844	-	20,455,094	-	20,455,094
46	2,482,878,676	321,901,229	321,901,229	-	18,336,459	-	18,336,459
47	2,312,067,465	305,569,953	305,569,953	-	16,343,832	-	16,343,832
48	2,147,007,212	289,688,567	289,688,567	-	14,548,727	-	14,548,727
49	1,987,607,448	272,277,907	272,277,907	-	12,839,746	-	12,839,746
50	1,835,814,298	255,432,683	255,432,683	-	11,310,215	-	11,310,215

Reserve Accounts and Sr. Staff Plan Assets are excluded from the Plan Net Position for the purpose of this projection.



SINGLE DISCOUNT RATE DEVELOPMENT PRESENT VALUES OF PROJECTED BENEFITS ENDING SEPTEMBER 30 FOR 2074 TO 2123

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{((a)-.5)}	(g)=(e)*vf ^{^((a)-.5)}	(h)=((c)/((1+sdr) ^{^(a-.5)}
51	\$ 1,691,538,669	\$ 240,256,260	\$ 240,256,260	\$ -	\$ 9,988,943	\$ -	\$ 9,988,943
52	1,553,547,016	225,613,115	225,613,115	-	8,807,640	-	8,807,640
53	1,421,697,461	211,331,830	211,331,830	-	7,746,589	-	7,746,589
54	1,296,015,805	197,330,742	197,330,742	-	6,791,891	-	6,791,891
55	1,176,613,801	183,627,766	183,627,766	-	5,934,508	-	5,934,508
56	1,063,591,979	170,217,964	170,217,964	-	5,165,379	-	5,165,379
57	957,062,498	157,200,270	157,200,270	-	4,479,200	-	4,479,200
58	857,042,710	144,621,732	144,621,732	-	3,869,288	-	3,869,288
59	763,502,540	132,430,574	132,430,574	-	3,326,873	-	3,326,873
60	676,463,393	120,813,760	120,813,760	-	2,849,802	-	2,849,802
61	595,755,118	109,736,100	109,736,100	-	2,430,515	-	2,430,515
62	521,232,821	99,099,151	99,099,151	-	2,060,958	-	2,060,958
63	452,843,783	88,938,344	88,938,344	-	1,736,755	-	1,736,755
64	390,495,292	79,285,600	79,285,600	-	1,453,765	-	1,453,765
65	334,055,669	70,172,096	70,172,096	-	1,208,133	-	1,208,133
66	283,352,500	61,624,881	61,624,881	-	996,224	-	996,224
67	238,174,252	53,665,312	53,665,312	-	814,601	-	814,601
68	198,273,600	46,311,265	46,311,265	-	660,067	-	660,067
69	163,368,697	39,575,880	39,575,880	-	529,642	-	529,642
70	133,145,814	33,467,204	33,467,204	-	420,554	-	420,554
71	107,262,527	27,985,574	27,985,574	-	330,207	-	330,207
72	85,353,804	23,122,575	23,122,575	-	256,176	-	256,176
73	67,039,573	18,860,870	18,860,870	-	196,207	-	196,207
74	51,932,947	15,175,807	15,175,807	-	148,237	-	148,237
75	39,647,332	12,034,426	12,034,426	-	110,377	-	110,377
76	29,805,021	9,397,495	9,397,495	-	80,931	-	80,931
77	22,044,242	7,219,729	7,219,729	-	58,382	-	58,382
78	16,026,441	5,451,847	5,451,847	-	41,395	-	41,395
79	11,441,917	4,042,398	4,042,398	-	28,820	-	28,820
80	8,013,934	2,939,998	2,939,998	-	19,681	-	19,681
81	5,500,796	2,095,012	2,095,012	-	13,169	-	13,169
82	3,696,320	1,461,105	1,461,105	-	8,624	-	8,624
83	2,428,737	996,000	996,000	-	5,520	-	5,520
84	1,558,745	662,779	662,779	-	3,449	-	3,449
85	976,083	429,933	429,933	-	2,101	-	2,101
86	595,843	271,547	271,547	-	1,246	-	1,246
87	354,339	166,886	166,886	-	719	-	719
88	205,147	99,771	99,771	-	404	-	404
89	115,519	58,007	58,007	-	220	-	220
90	63,165	32,724	32,724	-	117	-	117
91	33,500	17,929	17,929	-	60	-	60
92	17,175	9,519	9,519	-	30	-	30
93	8,468	4,891	4,891	-	14	-	14
94	3,971	2,418	2,418	-	7	-	7
95	1,734	1,121	1,121	-	3	-	3
96	690	478	478	-	1	-	1
97	242	183	183	-	0	-	0
98	69	60	60	-	0	-	0
99	12	12	12	-	0	-	0
100	-	-	-	-	-	-	-
Totals					\$ 5,659,672,748	\$ -	\$ 5,659,672,748

Reserve Accounts and Sr. Staff Plan Assets are excluded from the Plan Net Position for the purpose of this projection.



SECTION E

PROJECTION OF ASSETS, LIABILITIES AND CONTRIBUTION REQUIREMENTS

Jacksonville Police and Fire Pension Fund
40-Year Projection - Current Plan, Methods and Assumptions

Valuation Date	Covered October 1 Payroll	Actuarial Accrued Liability	Net Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Net Present Value of		Funded Ratio on Valuation Date	Total Contribution					
					Future Pension Liability	Net Unfunded Actuarial Accrued Liability		Fiscal Year Ending	Pension Liability Contribution	% of Total Cont'n	Required City Contribution ¹²	% of Total Cont'n	Total Contribution
10/1/23	159,542,895	5,133,761,781	2,297,064,315	2,836,697,466	1,372,394,747	1,464,302,719	44.74%	2024	0	0.0%	174,039,920	100.0%	174,039,920
10/1/24	151,242,592	5,304,095,899	2,373,347,775	2,930,748,124	1,461,600,406	1,469,147,718	44.75%	2025	0	0.0%	178,068,316	100.0%	178,068,316
10/1/25	141,091,802	5,473,813,460	2,446,260,606	3,027,552,854	1,556,604,432	1,470,948,422	44.69%	2026	0	0.0%	178,036,884	100.0%	178,036,884
10/1/26	134,332,522	5,633,208,859	2,437,313,736	3,195,895,123	1,657,783,720	1,538,111,403	43.27%	2027	0	0.0%	177,345,789	100.0%	177,345,789
10/1/27	125,545,680	5,776,884,975	2,523,923,774	3,252,961,201	1,765,539,662	1,487,421,539	43.69%	2028	0	0.0%	183,418,740	100.0%	183,418,740
10/1/28	117,643,759	5,915,505,437	2,582,268,429	3,333,237,008	1,880,299,740	1,452,937,268	43.65%	2029	0	0.0%	180,300,794	100.0%	180,300,794
10/1/29	107,870,386	6,041,909,235	2,622,159,383	3,419,749,852	2,002,519,223	1,417,230,629	43.40%	2030	0	0.0%	179,132,609	100.0%	179,132,609
10/1/30	97,444,536	6,152,699,094	2,642,818,025	3,509,881,069	2,132,682,972	1,377,198,097	42.95%	2031	74,125,637	29.5%	177,238,981	70.5%	251,364,618
10/1/31	92,657,389	6,256,723,956	2,728,335,440	3,528,388,516	2,195,410,377	1,332,978,139	43.61%	2032	103,034,636	37.1%	174,946,236	62.9%	277,980,872
10/1/32	88,246,512	6,348,001,821	2,829,342,555	3,518,659,266	2,231,781,506	1,286,877,760	44.57%	2033	107,413,608	38.1%	174,662,515	61.9%	282,076,123
10/1/33	81,911,774	6,432,124,200	2,929,214,969	3,502,909,231	2,265,997,709	1,236,911,522	45.54%	2034	111,978,686	39.0%	174,842,920	61.0%	286,821,606
10/1/34	73,041,253	6,502,749,817	3,023,442,794	3,479,307,023	2,297,726,858	1,181,580,165	46.49%	2035	116,737,780	40.1%	174,360,203	59.9%	291,097,983
10/1/35	61,653,763	6,556,316,054	3,109,475,139	3,446,840,915	2,326,607,072	1,120,233,843	47.43%	2036	121,699,136	41.3%	172,848,684	58.7%	294,547,820
10/1/36	50,736,481	6,600,767,057	3,195,991,329	3,404,775,728	2,352,244,438	1,052,531,290	48.42%	2037	126,871,349	42.7%	170,215,543	57.3%	297,086,892
10/1/37	36,704,427	6,633,895,669	3,280,237,798	3,353,657,871	2,374,210,569	979,447,302	49.45%	2038	132,263,382	44.1%	167,605,272	55.9%	299,868,654
10/1/38	24,627,790	6,652,138,665	3,360,834,143	3,291,304,522	2,392,039,984	899,264,538	50.52%	2039	137,884,575	45.7%	163,686,892	54.3%	301,571,467
10/1/39	18,280,773	6,652,124,291	3,433,113,135	3,219,011,156	2,405,227,304	813,783,852	51.61%	2040	143,744,670	47.3%	160,347,400	52.7%	304,092,070
10/1/40	14,105,515	6,632,667,059	3,495,032,837	3,137,634,222	2,413,224,251	724,409,971	52.69%	2041	149,853,818	48.5%	159,270,299	51.5%	309,124,117
10/1/41	10,623,888	6,599,680,438	3,554,838,153	3,044,842,285	2,415,436,429	629,405,856	53.86%	2042	156,222,606	49.5%	159,406,049	50.5%	315,628,655
10/1/42	7,758,617	6,544,144,392	3,605,555,845	2,938,588,547	2,411,219,885	527,368,662	55.10%	2043	162,862,066	50.4%	159,976,440	49.6%	322,838,506
10/1/43	5,352,097	6,470,847,724	3,653,213,767	2,817,633,957	2,399,877,419	417,756,538	56.46%	2044	169,783,704	51.3%	160,953,766	48.7%	330,737,470
10/1/44	3,238,565	6,386,880,772	3,706,396,771	2,680,484,001	2,380,654,642	299,829,359	58.03%	2045	176,999,512	52.2%	162,155,935	47.8%	339,155,447
10/1/45	2,007,163	6,291,831,084	3,766,270,986	2,525,560,098	2,352,735,756	172,824,342	59.86%	2046	184,521,991	53.0%	163,350,916	47.0%	347,872,907
10/1/46	678,489	6,186,879,198	3,835,185,235	2,351,693,963	2,315,239,031	36,454,932	61.99%	2047	192,364,176	53.9%	164,530,756	46.1%	356,894,932
10/1/47	0	6,072,223,237	3,914,895,156	2,157,328,081	2,267,211,976	(109,883,895)	64.47%	2048	200,539,653	64.6%	110,000,000	35.4%	310,539,653
10/1/48	0	5,948,371,294	3,948,020,406	2,000,350,888	2,207,626,164	(207,275,276)	66.37%	2049	209,062,588	65.5%	110,000,000	34.5%	319,062,588
10/1/49	0	5,815,524,849	3,990,544,966	1,824,979,883	2,135,371,705	(310,391,822)	68.62%	2050	217,947,748	66.5%	110,000,000	33.5%	327,947,748
10/1/50	0	5,674,062,511	4,044,403,238	1,629,659,273	2,049,251,324	(419,592,051)	71.28%	2051	227,210,528	67.4%	110,000,000	32.6%	337,210,528
10/1/51	0	5,524,517,174	4,111,800,613	1,412,716,561	1,947,974,037	(535,257,476)	74.43%	2052	236,866,975	68.3%	110,000,000	31.7%	346,866,975
10/1/52	0	5,367,378,301	4,195,024,013	1,172,354,288	1,830,148,386	(657,794,098)	78.16%	2053	246,933,821	69.2%	110,000,000	30.8%	356,933,821
10/1/53	0	5,203,212,404	4,296,571,190	906,641,214	1,694,275,198	(787,633,984)	82.58%	2054	257,428,509	70.1%	110,000,000	29.9%	367,428,509
10/1/54	0	5,032,901,834	4,419,398,937	613,502,897	1,538,739,859	(925,236,962)	87.81%	2055	268,369,220	70.9%	110,000,000	29.1%	378,369,220
10/1/55	0	4,857,065,141	4,566,353,517	290,711,624	1,361,804,034	(1,071,092,410)	94.01%	2056	279,774,912	71.8%	110,000,000	28.2%	389,774,912
10/1/56	0	4,678,263,397	4,742,387,732	(64,124,335)	0	(64,124,335)	101.37%	2057	0	0.0%	30,557,764	100.0%	30,557,764
10/1/57	0	4,498,798,422	4,566,769,417	(67,970,995)	0	(67,970,995)	101.51%	2058	0	0.0%	31,245,314	100.0%	31,245,314
10/1/58	0	4,316,036,731	4,388,097,187	(72,060,456)	0	(72,060,456)	101.67%	2059	0	0.0%	31,948,333	100.0%	31,948,333
10/1/59	0	4,131,057,993	4,207,466,329	(76,408,336)	0	(76,408,336)	101.85%	2060	0	0.0%	32,667,170	100.0%	32,667,170
10/1/60	0	3,945,400,184	4,026,431,452	(81,031,268)	0	(81,031,268)	102.05%	2061	0	0.0%	33,402,182	100.0%	33,402,182
10/1/61	0	3,758,199,602	3,844,146,560	(85,946,958)	0	(85,946,958)	102.29%	2062	0	0.0%	34,153,731	100.0%	34,153,731
10/1/62	0	3,571,192,334	3,662,366,598	(91,174,264)	0	(91,174,264)	102.55%	2063	0	0.0%	34,922,190	100.0%	34,922,190
10/1/63	0	3,384,175,203	3,480,908,464	(96,733,261)	0	(96,733,261)	102.86%	2064	0	0.0%	35,707,940	100.0%	35,707,940
10/1/63	0	3,384,175,203	3,480,908,464	(96,733,261)	0	(96,733,261)	102.86%	2065	0	0.0%	36,511,369	100.0%	36,511,369
Total:									4,512,495,286	45.6%	5,381,857,852	54.4%	9,894,353,138
Total Present Value at 6.5%:									1,226,983,617	33.7%	2,413,131,867	66.3%	3,640,115,484

¹Future City contributions are assumed to be equal to the dollar amount of the calculated contribution, payable in December of the fiscal year beginning one year after the valuation date.

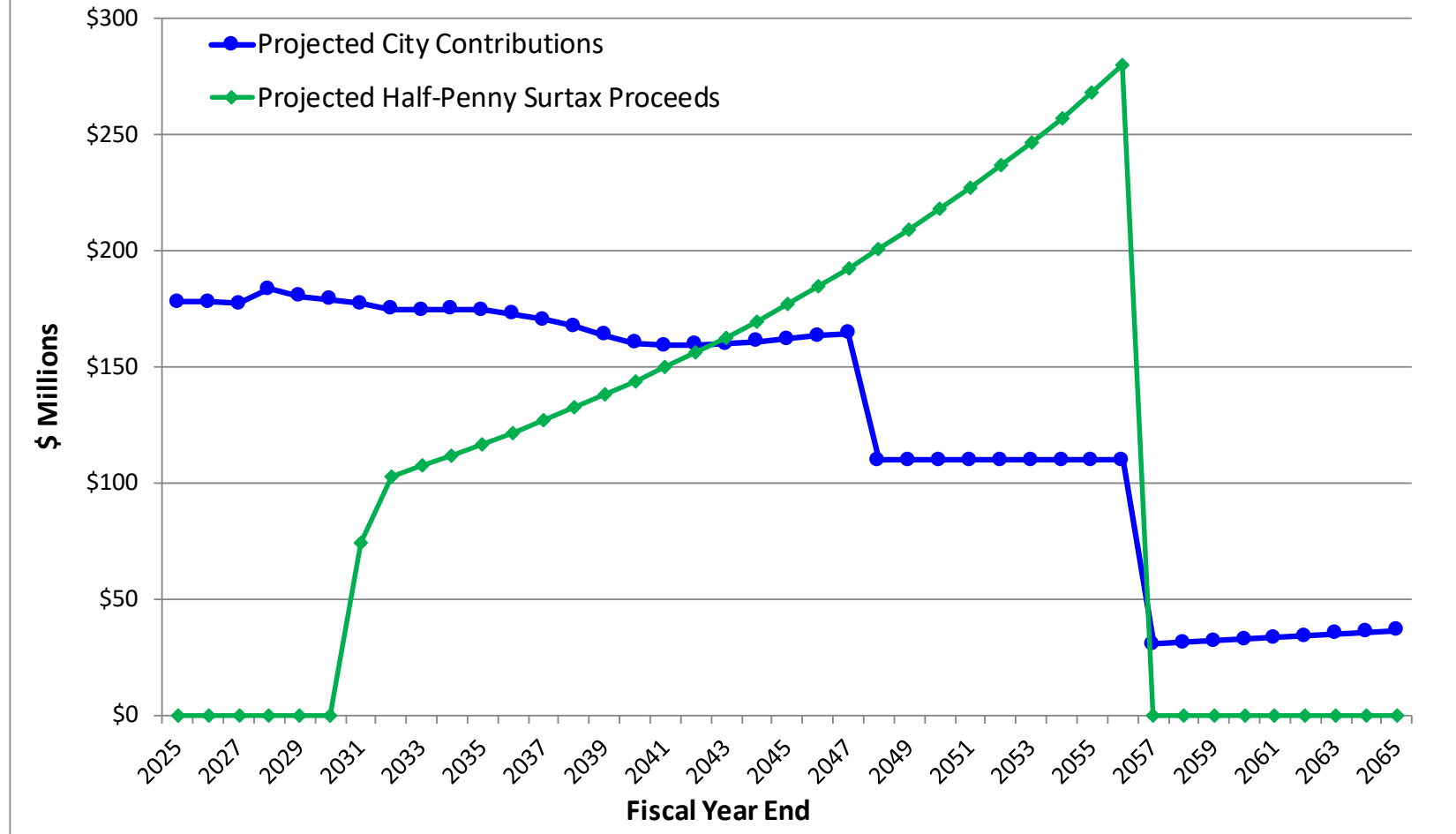
²Future City contributions does not reflect the potential use of reserves that have been allocated to the City that may be used to offset the City's required contribution amount. As of October 1, 2023, approximately \$5.8 million in reserves are available for use the by the City.

Assumptions

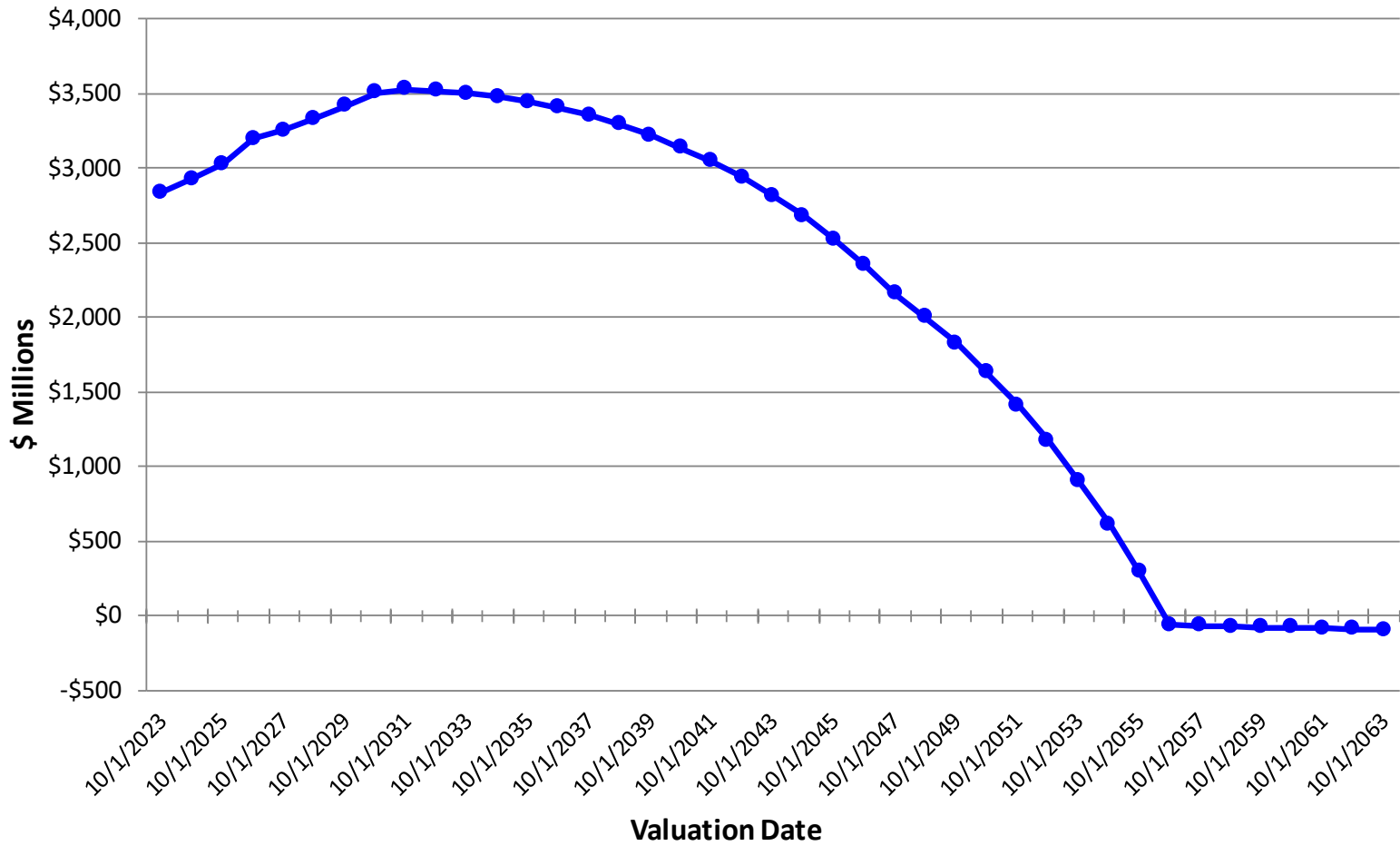
Investment Return Assumption: 6.5% per year
Actuarial Value of Assets: 5-Year Smoothed Market
Payroll Growth Rate Assumption: 1.25% per year
Pension Liability Surtax Proceeds: 5-Year Smoothed Pension Liability Surtax Revenue; 59.0% of Total Revenue Allocated to Police and Fire Pension Fund; Projected to increase 4.25% annually
Annual Expenses: Projected to increase 2.25% annually
Future experience was assumed to be consistent with the aforementioned actuarial assumptions and methods. If experience differs from the actuarial assumptions or if the Board adopts different assumptions or methods, future results could be significantly different from the projected results above.



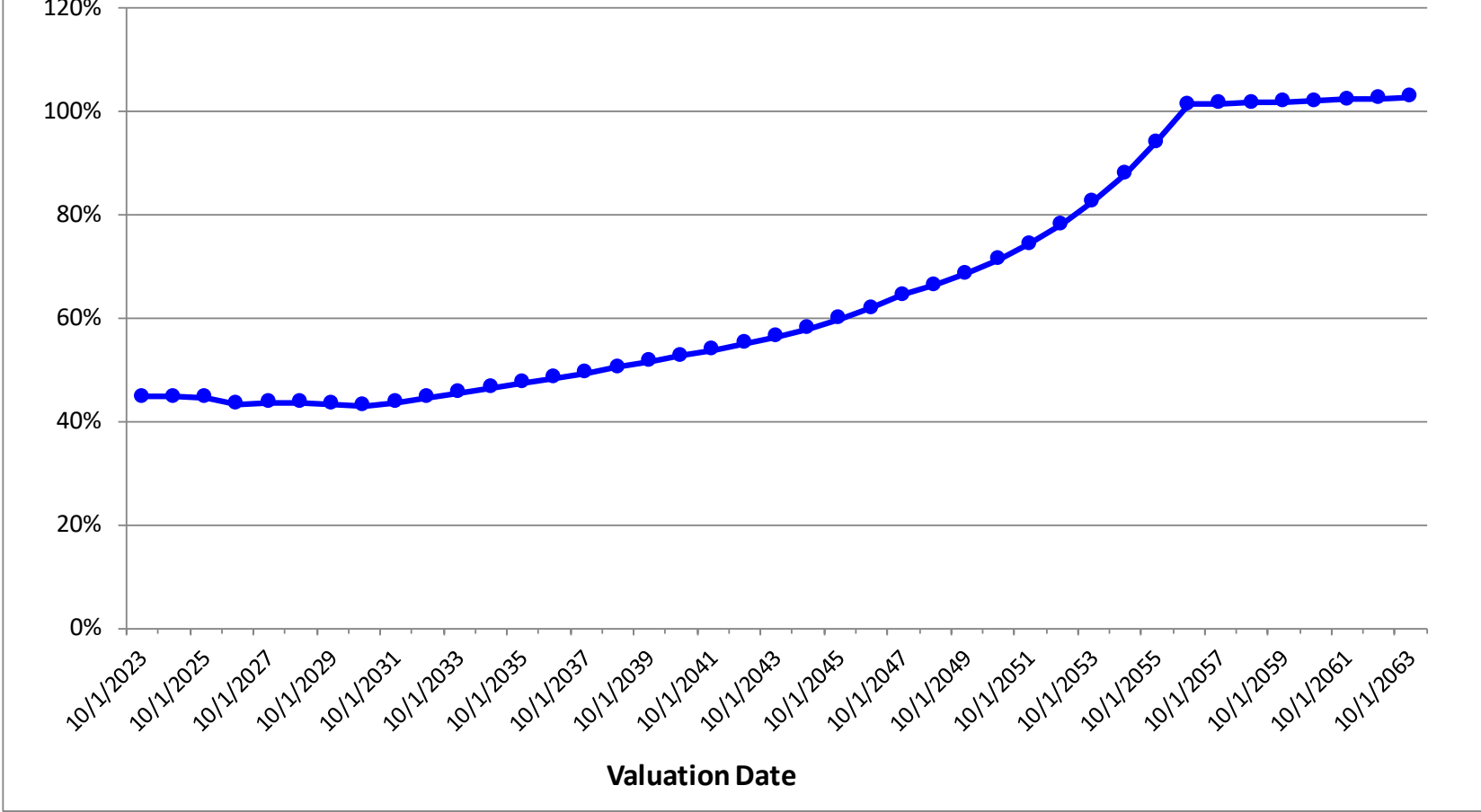
Jacksonville Police and Fire Pension Fund 40-Year Projection of Pension Liability Surtax Proceeds and Required City Contributions



**Jacksonville Police and Fire Pension Fund
40-Year Projection of Unfunded Actuarial Accrued Liability
Current Plan, Methods and Assumptions**



**Jacksonville Police and Fire Pension Fund
40-Year Projection of Funded Ratio
Current Plan, Methods and Assumptions**



SECTION F

MISCELLANEOUS INFORMATION

RECONCILIATION OF TOTAL MEMBERSHIP DATA		
	From 10/1/22 To 10/1/23	From 10/1/21 To 10/1/22
A. Active Members		
1. Number Included in Last Valuation	1,872	2,057
2. New Members Included in Current Valuation	0	0
3. Non-Vested Employment Terminations	(1)	(2)
4. Vested Employment Terminations	(21)	(16)
5. DROP Retirement	(115)	(151)
6. Service Retirements	(2)	(12)
7. Disability Retirements	(2)	(1)
8. Deaths	(1)	(6)
9. Other - Rehires	<u>2</u>	<u>3</u>
10. Number Included in This Valuation	1,732	1,872
B. Terminated Vested Members		
1. Number Included in Last Valuation	94	91
2. Additions from Active Members	21	16
3. Lump Sum Payments/Refund of Contributions	(3)	(4)
4. Payments Commenced	(11)	(6)
5. Deaths	0	0
6. Rehire	(1)	(3)
7. Other - Data Corrections	<u>0</u>	<u>0</u>
8. Number Included in This Valuation	100	94
C. DROP Retirees, Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	3,324	3,185
2. Additions from Active Members	119	164
3. Additions from Terminated Vested Members	11	6
4. Deaths	(78)	(77)
5. Additions from New Survivor Benefits	43	51
6. End of Certain Period - No Further Payments	(7)	(4)
7. Other - Data Corrections	<u>(2)</u>	<u>(1)</u>
8. Number Included in This Valuation	3,410	3,324

Note: Participant Data is collected as of July 1.



ACTIVE MEMBERS AS OF OCTOBER 1, 2023

Age Group	Years of Service to Valuation Date									Earnings	
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Total	Average
< 25	-	-	-	-	-	-	-	-	-	\$ -	\$ -
25-29	-	-	61	1	-	-	-	-	62	4,894,341	78,941
30-34	-	-	223	49	1	-	-	-	273	22,245,700	81,486
35-39	-	-	188	109	83	-	-	-	380	33,617,424	88,467
40-44	-	-	90	87	216	39	-	-	432	41,798,074	96,755
45-49	-	-	37	41	139	77	9	-	303	29,958,340	98,872
50-54	-	-	15	23	87	36	17	1	179	17,987,278	100,488
55-59	-	-	2	11	47	9	3	-	72	6,764,082	93,946
60-64	-	-	1	4	20	3	-	-	28	2,559,143	91,398
65-69	-	-	-	-	2	1	-	-	3	274,099	91,366
70+	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	617	325	595	165	29	1	1,732	160,098,481	92,436

Average Age: 42.2 Average Service: 13.8

INACTIVE MEMBERS AS OF OCTOBER 1, 2023

Age	<u>Terminated Vested</u>		<u>Disabled</u>		<u>Retired</u>		<u>DROP</u>		<u>Beneficiaries</u>		<u>Grand Total</u>	
	Number	Benefits	Number	Benefits	Number	Benefits	Number	Benefits	Number	Benefits	Number	Benefits
Under 25	0	0	0	0	0	0	0	0	21	232,369	21	232,369
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	12	133,810	0	0	0	0	0	0	0	0	12	133,810
35 - 39	25	520,624	1	43,371	0	0	0	0	3	83,884	29	647,879
40 - 44	28	517,701	1	50,255	5	196,827	25	1,421,062	3	102,102	62	2,287,947
45 - 49	14	324,119	1	39,517	44	2,198,451	127	7,519,935	9	328,467	195	10,410,489
50 - 54	13	239,485	4	200,517	286	15,735,892	186	12,208,643	14	651,562	503	29,036,099
55 - 59	5	97,391	8	404,853	479	29,544,598	101	6,470,269	27	1,303,479	620	37,820,590
60 - 64	3	67,140	10	507,671	388	25,678,299	29	1,705,956	36	1,689,563	466	29,648,629
65 - 69	0	0	7	323,482	319	23,673,788	5	310,600	51	2,735,919	382	27,043,789
70 - 74	0	0	11	542,678	319	24,568,542	0	0	78	4,149,349	408	29,260,569
75 - 79	0	0	2	75,105	315	24,330,499	0	0	93	4,754,357	410	29,159,961
80 - 84	0	0	1	25,494	128	10,188,088	0	0	80	3,679,428	209	13,893,010
85 - 89	0	0	0	0	66	5,041,813	0	0	56	2,580,995	122	7,622,808
90 - 94	0	0	1	4,547	24	1,613,096	0	0	31	931,532	56	2,549,175
95 - 99	0	0	0	0	4	200,365	0	0	11	414,050	15	614,415
100 & Over	0	0	0	0	0	0	0	0	0	0	0	0
Total	100	1,900,270	47	2,217,490	2,377	162,970,258	473	29,636,465	513	23,637,056	3,510	220,361,539
Average Age:		43.5		64.2		66.0		52.5		72.5		64.5
Avg. Annual Benefit:		19,003		47,181		68,561		62,656		46,076		62,781



SECTION G

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

POLICE AND FIREFIGHTERS PENSION FUND

A. Ordinances

The Plan was established under the Code of Ordinances for the City of Jacksonville, Florida, Title V, Chapter 121. The Plan is also governed by certain provisions of Chapter 175, Florida Statutes, Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

B. Effective Date

Not Available.

C. Plan Year

October 1 through September 30

D. Type of Plan

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

E. Eligibility Requirements

Any police officer or firefighter employed by the City on a regular full-time basis in an approved budgeted position. The plan is closed to new entrants effective October 1, 2017.

F. Credited Service

Credited Service is measured as the total number of months and fractional parts thereof of full-time employment with the City during which time prescribed employee contributions are made. Members may purchase up to 5 years of service as a Florida State Certified Police Officer or Firefighter with another public employer and up to 2 years of wartime military service. No service is credited for any periods of employment for which the member received a refund of their contributions.

G. Compensation

Amounts actually paid to participants, including base salary, longevity, City college incentive, enhanced certification pay, emergency operation and hazardous duty pay; shift differential, and "upgrade" pay; and excluding all overtime, state incentive pay, reimbursed expenses and allowances such as cleaning/clothes allowances, and payments for unused accrued time.



H. Average Final Compensation (AFC)

The average of Compensation shall be the final two years of Credited Service immediately preceding the time of retirement.

I. Time Service Retirement

Eligibility: A member may retire on the first day of the month coincident with attainment of 20 years of Credited Service.

Benefit: Average final compensation multiplied by:
(1) 3.0% for each year of Credited Service for the first 20 years of service, plus
(2) 2.0% for each year of Credited Service for years in excess of 20 years of service.

The maximum benefit is 80% of AFC.

Normal Form of Benefit: 75% Joint and Survivor option.

Health Care Supplement: Monthly benefit of \$5.00 multiplied by years of Credited Service (not in excess of 30).

COLA: Each retiree will receive a 3.0% increase in benefits beginning with the first bi-weekly pay period in the first January after commencement of benefit and in each subsequent first bi-weekly pay period in January.

J. Delayed Retirement

Same as Time Service Retirement taking into account compensation earned and service credited until the date of actual retirement.

K. Disability Retirement

Eligibility: Any member who becomes totally and permanently disabled as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: The greater of:
(1) the member's accrued benefit to date of disability, or
(2) 60% of AFC in effect on the date of disability.

Normal Form of Benefit: 75% Joint and Survivor option.



Health Care

Supplement: Monthly benefit of \$5.00 multiplied by years of actual years of Credited Service (not in excess of 30).

COLA: Each disabled retiree will receive a 3.0% increase in benefits beginning with the first bi-weekly pay period in the first January after commencement of benefit and in each subsequent first bi-weekly pay period in January.

L. Pre-Retirement Death

Eligibility: Any member who is killed or dies from effects of an injury or of any illness or disease is eligible for survivor benefits regardless of Credited Service.

Benefit: If the member has a legal spouse, the pension benefit is the greater of:
(1) 75% of the member's accrued benefit to date of death, or
(2) 45% of AFC (i.e. 75% of the member's minimum projected time service retirement benefit) in effect on the date of death.

If the member had children, an additional \$200/month per child (total 75% of normal benefit if orphan) until (i) child reaches age 18 years, whether or not the child is a qualified student, or (ii) child reaches age 22, provided the child is a qualified student, or (iii) each child becomes married, provided that the total of the surviving spouse and children's benefits do not exceed the total of the deceased member's projected benefit.

If the member does not have a surviving spouse or children, a refund of the member's contributions to the Plan without interest shall be payable to the estate of the Member.

Normal Form

of Benefit: Payable for the life of the beneficiary.

Health Care

Supplement: Monthly benefit of \$5.00 multiplied by years of actual years of Credited Service (not in excess of 30).

COLA: Each beneficiary will receive a 3.0% increase in benefits beginning with the first bi-weekly pay period in the first January after commencement of benefit and in each subsequent first bi-weekly pay period in January.

M. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service. Optionally, vested members may elect a refund in lieu of the vested benefits otherwise due.



Benefit: The benefit is the member’s accrued Time Service Retirement Benefit. The benefit begins on the date that would have been the member’s Time Service Retirement date based on years of Credited Service at the termination date.

Normal Form of Benefit: 75% Joint and Survivor option.

Health Care Supplement: Same as Time Service Retirement.

COLA: Same as Time Service Retirement.

N. Refunds

Members terminating employment with less than 5 years of Credited Service will receive a refund of the member’s contributions without interest.

O. Member Contributions

10% of Compensation; 2% of Compensation for members in the DROP.

P. Employer Contributions

Any additional amount determined by the actuary needed to fund the plan properly according to State laws.

Q. Cost of Living Increases

Each retiree and beneficiary will receive a 3.0% increase in benefits on each first bi-weekly pay period in January.

R. Deferred Retirement Option Plan

Eligibility: Same as Time Service Retirement.

Benefit: The member’s Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.

Maximum

DROP Period: The following time limits will apply for eligibility to elect to participate in the DROP:

Years of Credited Service at Time of Election:	Maximum Pay Periods of Participation:	Maximum Months of Participation:
20 but less than 30 years	130 biweekly	60
30 but less than 31 years	78 biweekly	36
31 but less than 32 years	52 biweekly	24



Interest

Credited: An annual rate of return of 8.40%.

Normal Form

of Benefit: Lump Sum, Direct Rollover, Partial Lump Sum with a Direct Rollover, or Monthly Distribution of the remaining balance.

COLA: Same as Normal Retirement.

S. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Jacksonville Police and Fire Pension Fund liability if continued beyond the availability of funding by the current funding source.

T. Changes from Previous Valuation

None.