



2020 Actuarial Valuation Report

Presentation to City Council Finance Committee
March 2, 2021


Jacksonville Police and Fire Pension Fund
Timothy H. Johnson, Executive Director – Plan Administrator

Introduction

- PFPF 2020 Actuarial Valuation;
- Comparing 10/1/2019 to 10/1/2020;
- Ordinance requires report no later than 120 days after October 1;
- Delivered to the Director of Finance and Administration and the Council Auditor;
- Includes employer contribution to be budgeted/paid next fiscal year;
- Each year near this time I visit the Finance Committee with highlights.



Highlights

- As of October 1, 2020, the Actuarial Accrued Liability was \$4.25 billion and the net market value of assets was \$2.02 billion.
 - The funded ratio decreased from 48.2% to 47.9%.
 - The net unfunded actuarial liability increased from \$1.19 billion to \$1.31 billion.
 - The City contribution requirement increased from \$148.5 million to **\$157.7 million**.
 - In December 2021, the Employer will make the contribution to the plan.
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Analysis of Employer Contribution

A majority of this increase (\$5.2 million) is due to a decline in the projected pension liability surtax revenue.

- The present value of the Pension Liability Surtax Proceeds was expected to increase to \$983.0 million; but increased just to \$909.2 million.
- The actual growth in the surtax revenue was lower than expected (−2.15% vs. +4.25% assumed);
- And, the portion allocated to the PFPF decreased from 59.26% to 58.3%.

The Board also approved assumption changes which caused a \$3.1 million increase.

- Demographics based on an Experience Study in 2020.
- A 6.9% return assumption (down from 7.0%).

Other experience losses account for the remaining 10%.



Fiscal Metrics

Pension Health	FYE 2019	FYE 2020	TREND
Funded Ratio	48.23%	47.88%	▼
Unfunded Liability	\$ 2,089,958,004	\$ 2,217,138,965	▲
Net Amortization	47.92%	52.98%	▲
ADEC without Surtax	\$ 212.4 million	\$ 222.7 million	▲

Pension Liability Surtax	FYE 2019	FYE 2020	TREND
Surtax Growth Rate (4.25%)	4.67%	-2.15%	▼
Net Present Value of Proceeds	\$ 1,519,319,941	\$ 1,559,514,060	▲
PFPF Portion (\$)	\$ 900,348,997	\$ 909,196,697	▲
PFPF Portion (%)	59.3%	58.3%	▼
Liquidity Ratio (5:1)	8.81 : 1	9.07 : 1	▲
ADEC	\$ 148,475,947	\$ 157,730,278	▲

PFPF 2021 ANNUAL MEMBERS' MEETING

1 West Adams Street
Thursday, April 22nd, 2021
9:00 – 11:00 A.M.

