City of Jacksonville Corrections Officers Retirement Plan

Actuarial Valuation and Review as of October 1, 2025

Segal

Segal

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April 17, 2026

Board of Trustees
City of Jacksonville Corrections Officers Retirement Plan
117 West Duval Street, Suite 330
Jacksonville, FL 32202

Dear Board of Trustees Members:

We are pleased to submit this Actuarial Valuation and Review as of October 1, 2025. It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements for the fiscal year starting October 1, 2026. This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Trustees, based upon census information provided by the Retirement System Administrative Office and financial information provided by the City's Finance Department

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

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. 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; 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); changes in economic or demographic assumptions; changes in plan provisions or applicable law.

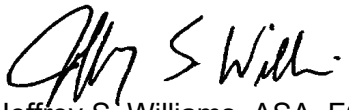
The actuarial calculations were directed under the supervision of Jeffrey S. Williams. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal



Jeffrey S. Williams, ASA, FCA, MAAA, EA
Vice President and Consulting Actuary
Enrolled Actuary No. 26-07009

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the City of Jacksonville Corrections Officers Retirement Plan as of October 1, 2025. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to provide information for required disclosures under Governmental Accounting Standards Board (GASB) Statements No. 67 and 68.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of September 30, 2025, provided by the Retirement System Administrative Office;
- The assets of the Plan as of September 30, 2025, provided by the City's Finance Department;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. and
- The funding policy adopted by the Board, subject to the requirements of Part VII, Chapter 112, Florida Statutes.

Valuation highlights

Developments since last valuation

- **Asset returns:** The rate of return on the market value of assets was 10.85% for the year ending September 30, 2025. The effective return on the actuarial value of assets, a notional value which smooths investment gains and losses over 5 years and is used to determine the actuarially determined contribution, was 9.72% for the same period due to the recognition of a portion of this year's investment gains and losses and a portion of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 6.50%. This actuarial investment gain decreased the average employer contribution rate by 2.55% of pay. We advise the Board to continue to monitor actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 6.50%.
- **Contributions:**
  1. The City's minimum required contribution (the amount which will be contributed) for fiscal 2027 is $28,508,367, an increase of $1,646,024 from the amount being contributed in fiscal 2026.
  2. Actual City contributions made during the fiscal year ending September 30, 2025 of $21,981,000 were 100.00% of the City's minimum required contribution for fiscal 2026. In the prior fiscal year, actual contributions were $19,386,000, 100.00% of the City's minimum required contribution.
  3. Actuarial Standard of Practice No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, states that an actuary preparing calculations of actuarially determined contributions should assess the material implications of the funding policy. This report includes two distinct contribution amounts, each with different implications.
     a. The **Florida Chapter 112 Determined Employer Contribution** is an amount consistent with a funding policy which seeks to stabilize the unfunded actuarial accrued liability (UAAL) as a percentage of total Corrections Officers Retirement Plan (CORP) payroll, including Defined Contribution participants, where UAAL is measured relative to assets currently available to make benefit payments. Under this policy, assuming that all assumptions are met in aggregate, the UAAL is expected to be reduced to zero over a period of 22 years after reflecting an amortization period reset as of October 1, 2016. Over the short term, this contribution policy would be expected to keep the UAAL roughly level over the next few years, primarily making payments on interest, and begin paying down the UAAL after that point.
     b. The **City's required minimum contribution**, which is the Chapter 112 contribution adjusted to comply with state law, reduced by amortization of discounted allocated surtax revenue, is an amount consistent with a funding policy which seeks to stabilize the contribution requirement as a percentage of total CORP payroll, including Corrections Officers Defined Contribution Plan participants, relative to an anticipated increase in contribution income set to begin

January 1, 2031. Under this policy, assuming that all assumptions are met in aggregate, the UAAL is expected to be reduced to zero by December 31, 2060, after all of the surtax revenue allocated to the plan is collected and contributed. Over the short term, this contribution policy is expected to lead to an increase in the UAAL, prior to the revenue stream commencing and paying it down.

Use of this contribution policy has been authorized by the Florida State Legislature and Jacksonville City Council.

- **Experience:** The actuarial loss of $9,749,863, or 1.50% of actuarial accrued liability, is due to an investment gain of $9,240,220, or 1.42% of actuarial accrued liability, a loss due to contributions less than the Florida Chapter 112 determined employer contribution of $11,721,578, or 1.80% of actuarial accrued liability, and a loss from sources other than investments or contributions of $7,268,505, or 1.12% of the actuarial accrued liability prior to reflection of assumption changes. This loss was primarily due to retirement experience among the active population.
- **Assumption changes:** In conjunction with updates to the mortality assumptions for the Florida Retirement System, the mortality assumptions were changed with this valuation to the following:
  - Pre-retirement: Pub-2010 Benefits Weighted Safety Employee Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021
  - Healthy Post-retirement: Pub-2010 Benefits Weighted Safety Healthy Retiree Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021
  - Disabled: Pub-2010 Headcount Weighted General Disabled Retiree Sex-Distinct Tables, set forward 1 year for females only, projected generationally using Scale MP-2021

  As a result of these assumption changes, the total normal cost increased by $273,757 and the actuarial accrued liability increased by $18,927,098. The total impact was an increase in the ADC of $1,742,413, or 6.24% of projected payroll.
- **Plan provisions:** There are no changes in plan provisions with this valuation.
- **Surtax:** The City changed the surtax allocation percentage from the prior valuation to the current valuation. In the 2024 valuation, CORP's allocation percentage was 6.10%; in the 2025 valuation, the allocation percentage has been increased to 6.40%. This change was directed by the City based on its updated calculation of the Correction Officers Retirement Plan's share of the City's unfunded liabilities. The change in the surtax allocation percentage caused the City's minimum required contribution to decrease by $625,958.

  The City is solely responsible for the assumption as to what percentage the surtax revenue will grow and Segal relies on the City for this assumption. This rate was set at 4.25% by the City for the projection period January 1, 2025 through December 31, 2060, and will be recalculated by the City every year and adopted by the City Council. Segal will ask the City each year to provide actual surtax revenue for the preceding fiscal year and an assumption as to future growth. The difference in actual and projected surtax

revenue each year will be amortized over the period by which each year's gain or loss is amortized. If surtax revenue grows more slowly or more quickly than expected, contribution requirements will increase or decrease accordingly.

The present value of the projected surtax revenue was determined and used in determination of the City's required contribution as follows:

a. Actual 2025 surtax revenue was projected to increase by 4.25% each year thereafter through 2060.

b. A share of 6.40% of the projected revenue for January 1, 2031 through December 31, 2060 was allocated to CORP.

c. The revenue allocated to CORP was discounted at the valuation discount rate of 6.50% to October 1, 2025.

d. The original allocated present value amount of $64,295,005 was amortized over a 30-year initial period (Section 3, Exhibit G), with subsequent changes amortized over new periods. The present value of projected surtax revenue as of October 1, 2025 allocated to CORP is $173,570,184.

e. After the amortized value amount was adjusted for the timing of contributions and projected to October 1, 2026, this amount was used as an offset to the Florida Chapter 112 Determined Employer Contribution to determine the City's minimum required contribution for fiscal 2026.

The present value of projected surtax revenue does not decrease the unfunded actuarial accrued liability. The amortized value of the projected surtax revenue is used as an offset to the Chapter 112 contribution.

Actuarial valuation results

- **Funded ratio:** The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 46.79%, compared to the prior year funded ratio of 46.66%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 50.10%, compared to 49.41% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of the plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
- **Unfunded actuarial accrued liability (UAAL):** The UAAL (the excess of the actuarial accrued liability over the actuarial value of assets) is $355,724,489, which is an increase of $24,593,189 since the prior valuation.
- **Asset smoothing:** The total net investment gain not yet recognized is $22,120,595, representing 6.60% of the market value of assets. The deferred gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next five years, to the extent it is not offset by recognition of investment losses derived from future experience. This implies that earning the assumed rate of investment return of 6.5% per year (net of investment expenses) on a fair value basis will result in investment gains on the actuarial value of assets in the next several years. If the net deferred gain was recognized immediately in the actuarial value of assets, the City's minimum required contribution would decrease from $28,508,367 to $26,806,500.
- **GASB Accounting:** The information contained in Section 5 provides the accounting information for Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the Plan's and employer's financial statements as of September 30, 2026. The accounting information utilizes different methodologies from those employed in the funding valuation, as required by the GASB. The Net Pension Liability (NPL) is equal to the difference between the Total Pension Liability (TPL) and the Plan's fiduciary net position (equal to the market value of assets). The NPL as of September 30, 2025 is $333,603,894.

Funding considerations

- **Funding method:** Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and the principal balance. While the City's minimum required contribution does not currently meet this objective, the Plan is currently projected to be fully funded by October 1, 2044 based on the expected inclusion of future surtax contributions. The "City's minimum required contribution" refers to the cumulative minimum required contribution for all contributing employers.

Risk

- **Snapshot date:** It is important to note that this actuarial valuation is based on plan assets as of September 30, 2025. The Plan's funded status does not reflect short-term economic fluctuations but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
- **Understanding risk:** Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. A more detailed assessment of the risks would provide the Board with a better understanding of the inherent risks in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.
  - We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition but have included a brief discussion of some risks that may affect the Plan in Section 2.

Summary of key valuation results

Valuation Result	Current	Prior
Contributions for fiscal year beginning:	**October 1, 2026**	**October 1, 2025**
• Florida Chapter 112 determined employer contribution	$36,678,049	$34,180,104
• Less amortized value of discounted value of projected surtax revenue	-8,169,682	-7,317,761
• City's required minimum contribution[1]	$28,508,367	$26,862,343
Actuarial accrued liability for plan year beginning:	**October 1, 2025**	**October 1, 2024**
• Retired participants and beneficiaries	$464,096,069	$432,319,927
• Inactive vested participants	506,567	593,007
• Active participants	203,934,258	187,926,857
• **Total**	**$668,536,894**	**$620,839,791**
• Normal cost including administrative expenses for plan year beginning October 1	$11,076,208	$11,192,081
Assets for plan year beginning October 1:		
• Market value of assets (MVA)	$334,933,000	$306,727,000
• Actuarial value of assets (AVA)	312,812,405	289,708,491
• Actuarial value of assets as a percentage of market value of assets	93.40%	94.45%
Funded status for plan year beginning October 1:		
• Unfunded actuarial accrued liability on market value of assets	$333,603,894	$314,112,791
• Funded percentage on MVA basis	50.10%	49.41%
• Unfunded actuarial accrued liability on actuarial value of assets	$355,724,489	$331,131,300
• Funded percentage on AVA basis	46.79%	46.66%
• Effective amortization period on an AVA basis	21	22

[1] Pursuant to State Law Chapter 2016-146 and City of Jacksonville Ordinances 2017-257-E and 2017-258-E

Section 1: Actuarial Valuation Summary

Valuation Result	Current	Prior
Key assumptions:		
• Net investment return	6.50%	6.50%
• Inflation rate	2.50%	2.50%
• Payroll growth for amortization purposes	1.25%	1.25%
GASB information:		
• Discount rate	6.50%	6.50%
• Total Pension Liability	$687,842,894	$635,917,791
• Plan Fiduciary Net Position	354,239,000	321,805,000
• Net Pension Liability	333,603,894	314,112,791
• Plan Fiduciary Net Position as a percentage of Total Pension Liability	51.50%	50.60%
Demographic data for plan year beginning October 1:		
• Number of retired participants and beneficiaries	517	505
• Number of inactive vested participants	5	4
• Number of active participants	300	319
• Average compensation	$87,943	$86,462

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant information	An actuarial valuation for a plan is based on data provided to the actuary by the Retirement Administrative Office. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the City's Finance Department. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

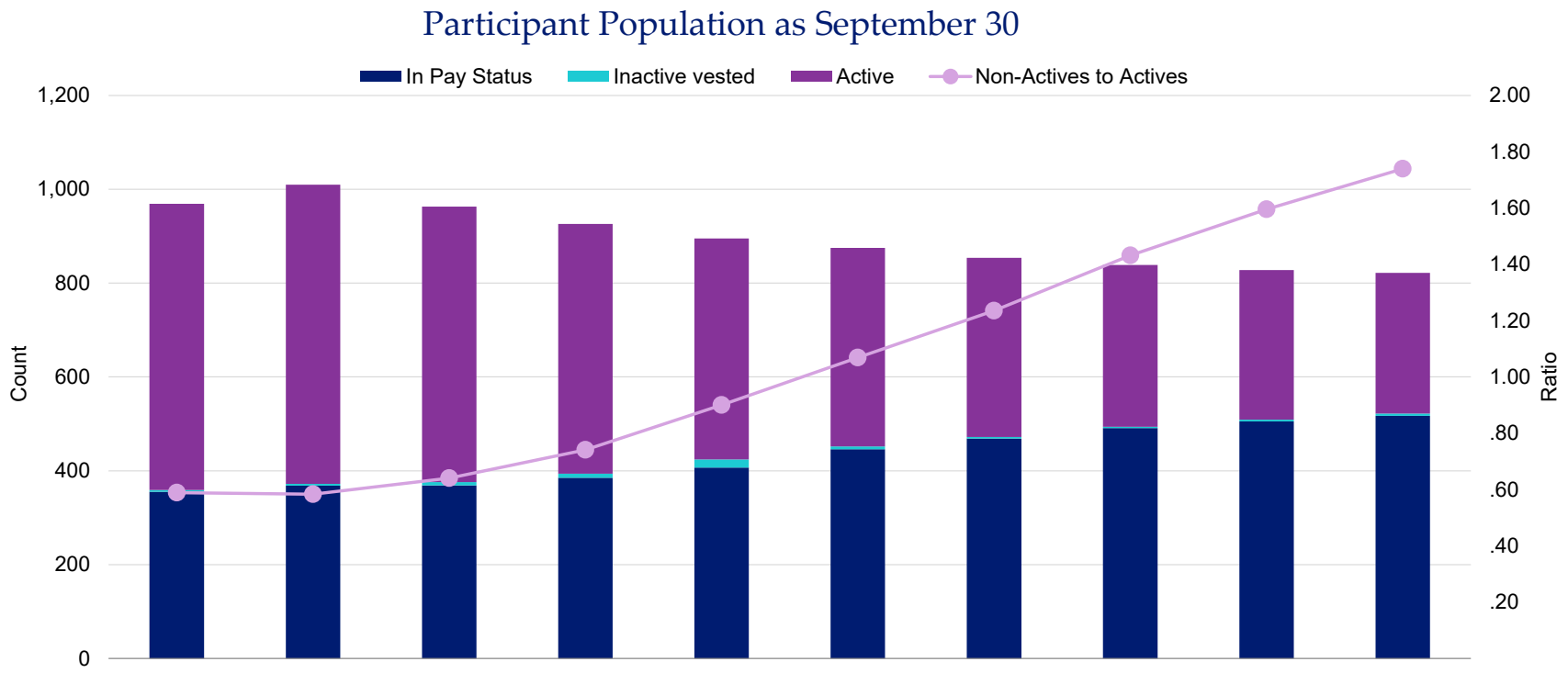
Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board of Trustees. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. The valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Board upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

Participant information



Legend	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
In Pay Status[2]	355	368	369	385	407	446	469	491	505	517
Inactive Vested[3]	4	4	7	9	17	6	3	3	4	5
Active	610	638	587	532	471	423	382	345	319	300
Ratio	0.59	0.58	0.64	0.74	0.90	1.07	1.24	1.43	1.60	1.74

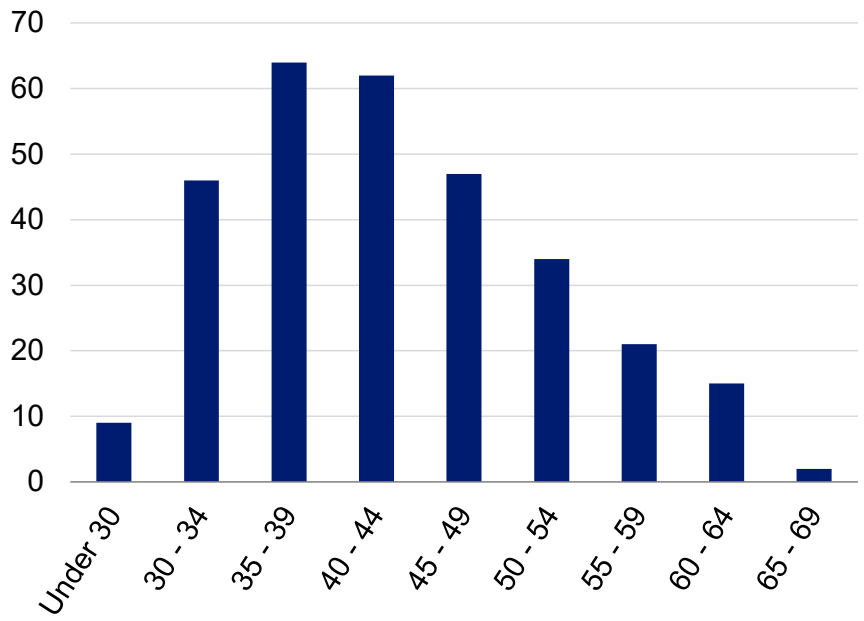
[2] Includes DROP participants
[3] Excludes terminated participants due a refund of employee contributions.

Active participants

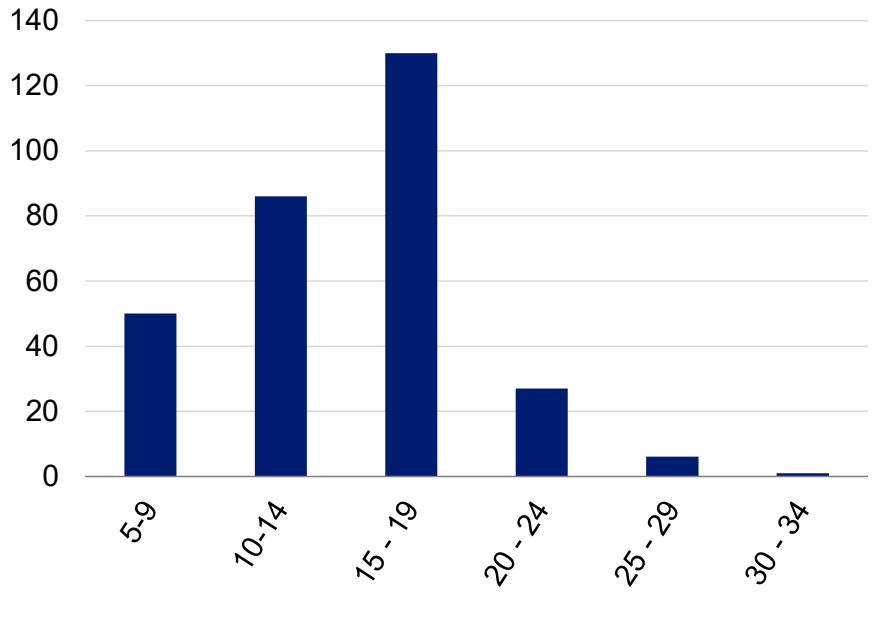
Demographic Data	September 30, 2025	September 30, 2024	Change
Active participants	300	319	-6.0%
Average age	43.6	43.1	0.5
Average years of service	14.9	14.2	0.7
Average compensation	$87,943	$86,462	1.7%

Distribution of Active Participants as of September 30, 2025

Actives by Age



Actives by Years of Service

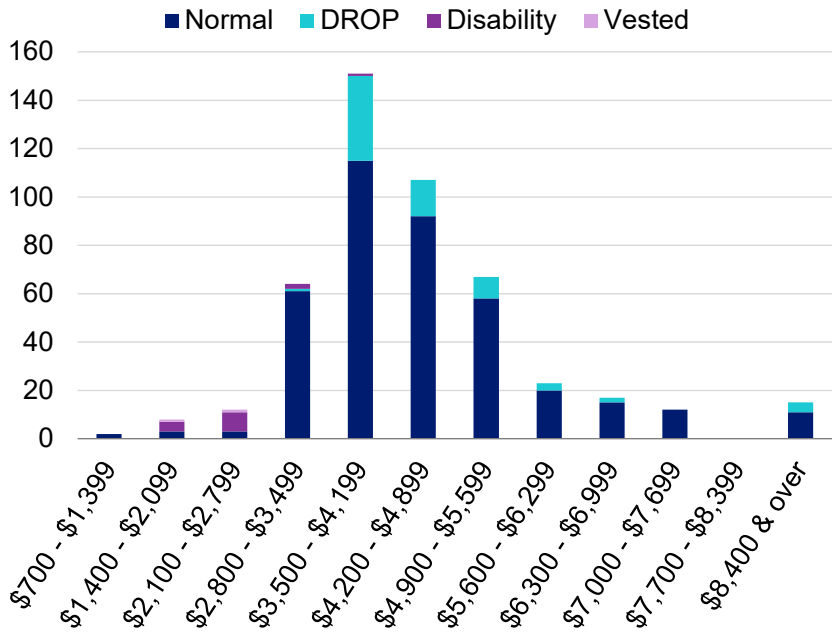


Retired participants and beneficiaries

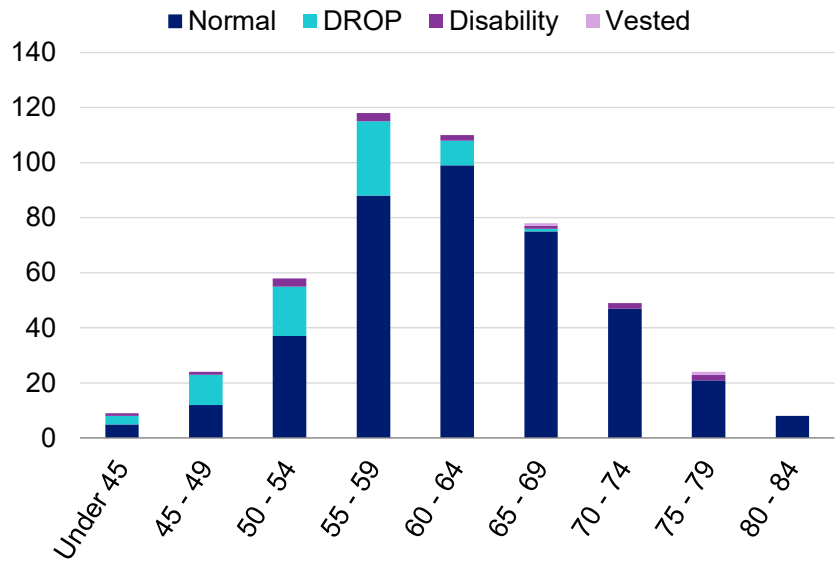
Demographic Data	September 30, 2025	September 30, 2024	Change
Retired participants	478	470	1.7%
Beneficiaries	39	35	11.4%
Average age	61.4	61.1	0.3
Average regular benefit amount	$4,444	$4,316	3.0%

Distribution of Retired Participants and Beneficiaries as of September 30, 2025

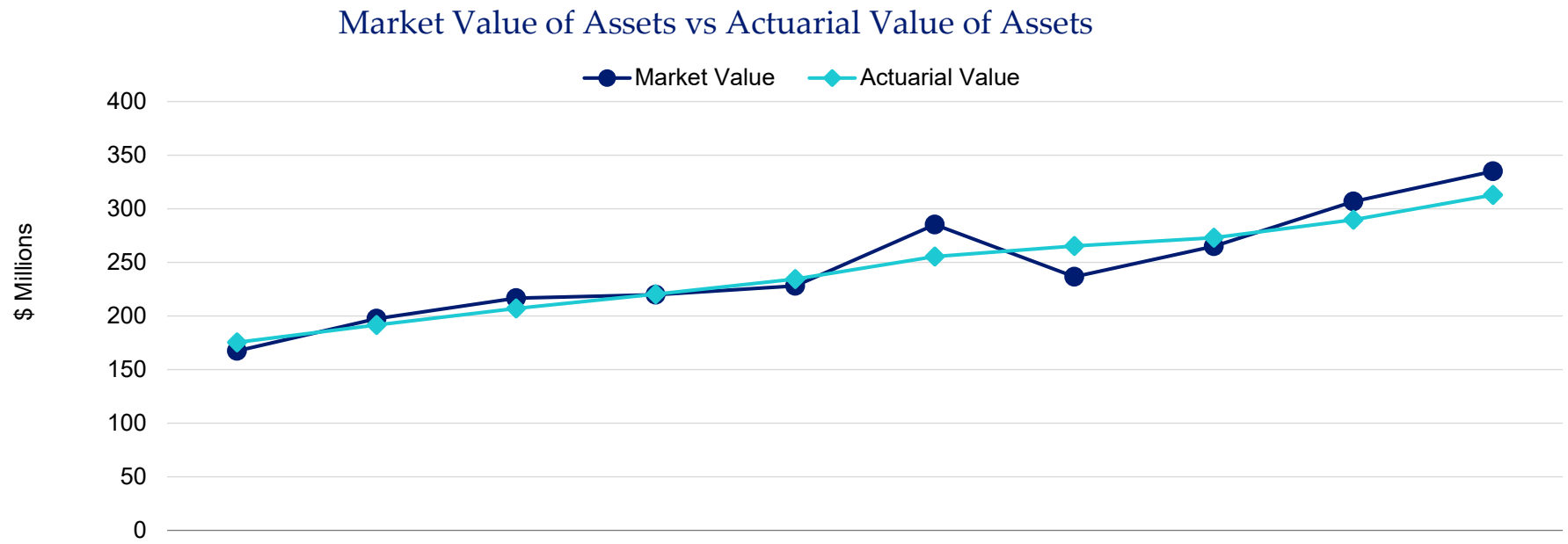
By Type and Monthly Amount



By Type and Age



Asset history for years ended September 30

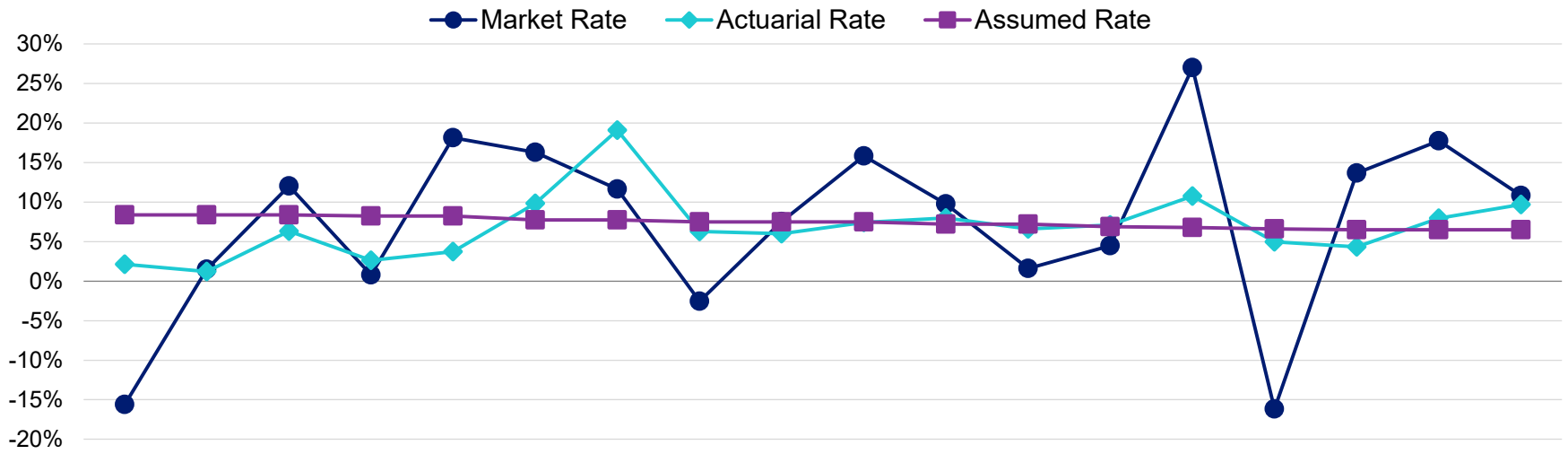


Legend	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarial value[4]	$175.33	$191.74	$207.09	$220.33	$234.51	$255.56	$265.25	$273.14	$289.71	$312.81
Market value[4]	167.39	197.38	216.67	219.75	228.17	285.35	236.47	265.02	306.73	334.93
Ratio	1.05	0.97	0.96	1.00	1.03	0.90	1.12	1.03	0.94	0.93

[4] In $ millions

Historical investment returns

Market and Actuarial Rates of Return versus Assumed Rate for Years Ended September 30



Legend	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Market rate	-15.61%	1.49%	12.03%	0.79%	18.14%	16.29%	11.66%	-2.54%	7.55%	15.83%	9.76%	1.62%	4.49%	27.03%	-16.18%	13.68%	17.76%	10.85%
Actuarial rate	2.14%	1.23%	6.33%	2.65%	3.73%	9.82%	19.12%	6.28%	6.02%	7.44%	8.00%	6.60%	7.10%	10.75%	4.97%	4.34%	7.94%	9.72%
Assumed rate	8.40%	8.40%	8.40%	8.25%	8.25%	7.75%	7.75%	7.50%	7.50%	7.50%	7.20%	7.20%	6.90%	6.80%	6.63%	6.50%	6.50%	6.50%

Geometric Average Rates of Return	Market Value	Actuarial Value
Most recent five-year average return:	9.58%	7.51%
Most recent ten-year average return:	8.66%	7.27%
Most recent 15-year average return:	8.62%	7.57%

Actuarial experience

Assumptions should consider experience and should be based on reasonable expectations for the future.

Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.

Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is expected to continue, assumptions are changed.

Actuarial Experience for Year Ended September 30, 2025

	Source	Amount
1.	Gain from investments	$9,240,220
2.	Loss from administrative expenses	-14,654
3.	Loss from contributions	-11,721,578
4.	Loss from other experience	-7,253,851
5.	**Net experience gain/(loss): 1 + 2 + 3 + 4**	**-$9,749,863**

Investment experience

Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.

The assumed long-term rate of return of 6.50% considers past experience, the asset allocation policy of the Board and future expectations.

Investment Experience for Year Ended September 30

	Item	2025 Market Value	2025 Actuarial Value
1.	Net investment income	$33,017,000	$27,914,914
2.	Average value of assets	304,321,500	287,302,991
3.	Rate of return: **1 ÷ 2**	10.85%	9.72%
4.	Assumed rate of return	6.50%	6.50%
5.	Expected investment income: **2 x 4**	$19,780,898	$18,674,694
6.	**Net investment gain/(loss): 1 – 5**	**$13,236,102**	**$9,240,220**

Non-investment experience

Contributions

Contributions for the year ended September 30, 2025 totaled $25,067,000, compared to the projected total contribution of $35,236,502. This resulted in a loss of $11,721,578 for the year, when adjusted for timing.

Administrative expenses

Administrative expenses for the year ended September 30, 2025 totaled $157,000, as compared to the assumption of $138,000. This resulted in an experience loss of $14,654 for the year, including an adjustment for interest.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Mortality experience (more or fewer than expected deaths)
- The extent of turnover among participants
- Retirement experience (earlier or later than projected)
- The number of disability retirements (more or fewer than projected)
- Salary increases (greater or smaller than projected)

The net loss from this other experience for the year ended September 30, 2025 amounted to $7,253,851, which is 1.1% of the actuarial accrued liability. This loss was primarily due to the retirement experience among the active population.

Actuarial assumptions

In conjunction with updates to the mortality assumptions for the Florida Retirement System, the mortality assumptions were changed with this valuation to the following:

- Pre-retirement: Pub-2010 Benefits Weighted Safety Employee Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021
- Healthy Post-retirement: Pub-2010 Benefits Weighted Safety Healthy Retiree Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021
- Disabled: Pub-2010 Headcount Weighted General Disabled Retiree Sex-Distinct Tables, set forward 1 year for females only, projected generationally using Scale MP-2021

As a result of these assumption changes, the total normal cost increased by $273,757 and the actuarial accrued liability increased by $18,927,098. The total impact was an increase in the ADC of $1,742,413, or 6.24% of projected payroll.

Plan provisions

There were no changes in plan provisions since the prior valuation.

Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability for Year Ended September 30, 2025

	Component	Amount
1.	Unfunded actuarial accrued liability at beginning of year	$331,131,300
2.	Employer normal cost at beginning of year	8,586,944
3.	Actuarial determined contribution at beginning of year	-33,758,127
4.	Interest on 1, 2 & 3	21,087,411
5.	Expected unfunded actuarial accrued liability	327,047,528
6.	Changes due to:	
	a. Net experience loss	9,749,863
	b. Assumptions	18,927,098
7.	**Unfunded actuarial accrued liability at end of year**	**$355,724,489**

Florida Chapter 112 Determined Employer Contribution and City's Minimum Required Contribution

The chart below shows the calculations of the Florida Chapter 112 determined employer contribution and the City's minimum required contribution pursuant to State Law Chapter 2016-146 and City of Jacksonville Ordinances 2017-257-E and 2017-258-E.

The contribution requirements as of October 1, 2025 are based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions. The contribution calculated as of October 1, 2025 is then projected to the following fiscal year and will be paid in the plan year beginning October 1, 2026.

Florida Chapter 112 Determined Contribution and City's Minimum Required Contribution for Year Beginning October 1

		2026		2025	
		Amount	% of Projected Payroll	Amount	% of Projected Payroll
1.	Total normal cost	$10,919,208	40.88%	$11,054,081	39.58%
2.	Administrative expenses	157,000	0.59%	138,000	0.49%
3.	Expected employee contributions	-2,511,380	-9.41%	-2,605,137	-9.32%
4.	**Employer normal cost: (1) + (2) + (3)**	**$8,564,828**	**32.06%**	**$8,586,944**	**30.75%**
5.	Actuarial accrued liability	$668,536,894		$620,839,791	
6.	Actuarial value of assets	312,812,405		289,708,491	
7.	**Unfunded actuarial accrued liability: (5) - (6)**	**$355,724,489**		**$331,131,300**	
8.	Payment on projected unfunded actuarial accrued liability	26,451,297	99.02%	24,044,421	86.10%
9.	Florida Chapter 112 determined employer contribution: (4) + (8)[1]	36,678,049	137.31%	34,180,104	122.39%
10.	Amortized value of discounted value of projected surtax revenue[1, 2]	8,169,682	30.59%	7,317,761	26.20%
11.	**City's minimum required contribution: (9) - (10)[2]**	**$28,508,367**	**106.72%**	**$26,862,343**	**96.19%**
12.	Projected payroll	$26,712,744		$27,926,113	

[1]Adjusted for timing and projected to next fiscal year; contributions are assumed to be paid at the end of every month.

[2]Pursuant to State Law Chapter 2016-146 and City of Jacksonville Ordinances 2017-257-E and 2017-258-E

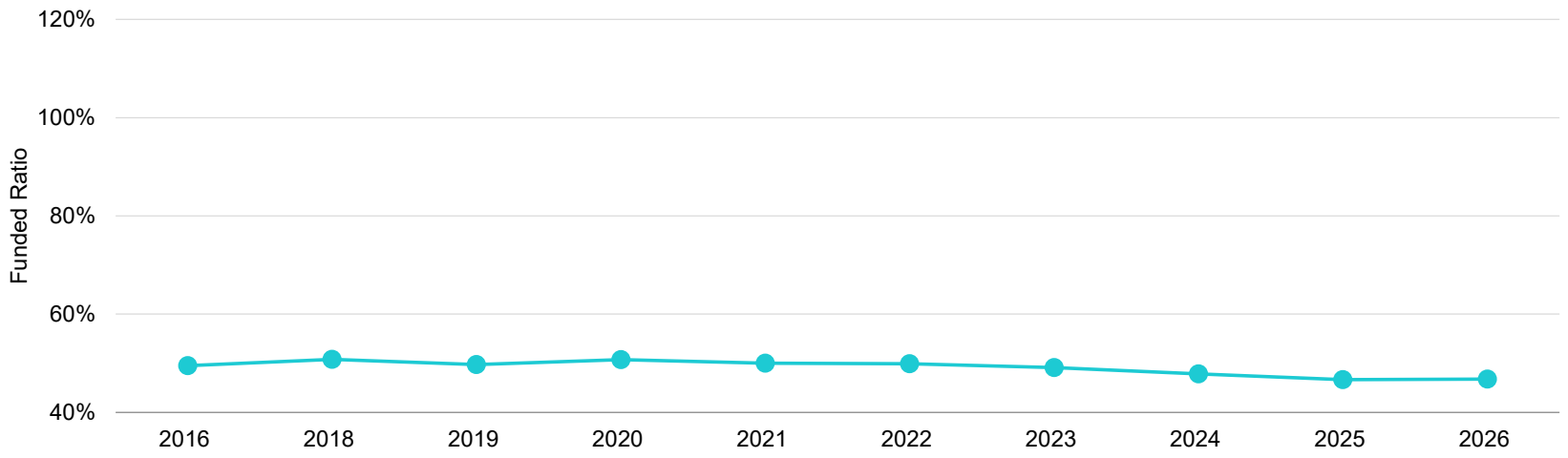
Reconciliation of City's Minimum Required Contribution

Reconciliation of City's Minimum Required Contribution from October 1, 2025 to October 1, 2026

	Step	Amount
1.	City's minimum required contribution as of October 1, 2025	$26,862,343
2.	Effect of expected change in amortization payment due to payroll growth	223,348
3.	Effect of change in administrative expense assumption	19,901
4.	Effect of change in surtax allocation percentage	-625,958
5.	Effect of change in other actuarial assumptions	1,742,413
6.	Effect of investment gain	-710,904
7.	Effect of other gains and losses on accrued liability	1,326,529
8.	Net effect of other changes, including composition and number of participants	-329,305
9.	**Total change**	**$1,646,024**
10.	**City's minimum required contribution as of October 1, 2026**	**$28,508,367**

Schedule of funding progress through September 30, 2025

Actuarial Valuation Date of October 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) – (a)	Funded Ratio (a) / (b)	Covered Compensation (c)	UAAL as a Percentage of Covered Compensation [(b) – (a)] / (c)
2016	$175,333,405	$354,234,673	$178,901,268	49.50%	$26,585,054	672.94%
2017	191,740,583	377,380,082	185,639,499	50.81%	27,548,015	673.88%
2018	207,089,881	416,673,228	209,583,347	49.70%	28,164,021	744.15%
2019	220,334,774	434,176,844	213,842,070	50.75%	28,726,006	744.42%
2020	234,514,215	468,831,017	234,316,802	50.02%	28,268,208	828.91%
2021	255,558,542	503,742,335	248,183,793	50.73%	25,903,031	958.13%
2022	265,245,309	540,178,805	274,933,496	49.10%	25,260,815	1,088.38%
2023	273,139,317	570,772,447	297,633,130	47.85%	24,526,732	1,213.51%
2024	289,708,491	620,839,791	331,131,300	46.66%	27,581,346	1,200.56%
2025	312,812,405	668,536,894	355,724,489	46.79%	26,382,957	1,348.31%



History of employer contributions

History of Employer Contributions: 2018 – 2027

Fiscal Year Ended September 30	City's Minimum Required	Actual Employer Contribution	Percent Contributed
2018	$13,973,105	$13,973,000	100.00%
2019	14,497,788	14,498,000	100.00%
2020	15,042,623	15,058,000	100.10%
2021	15,044,530	15,061,000	100.11%
2022	17,592,399	17,610,000	100.10%
2023	17,185,973	17,196,000	100.06%
2024	19,385,644	19,386,000	100.00%
2025	21,981,270	21,981,000	100.00%
2026	26,862,343	- -	- -
2027	28,508,367	- -	- -

Low-Default-Risk Obligation Measure (LDROM)

Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the Actuarial Accrued Liability (AAL) used for funding, except for the discount rate. The LDROM is required to be calculated using "a discount rate…derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future."

The LDROM is a calculation assuming a plan's assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in December of the measurement period, by The Bond Buyer (www.bondbuyer.com), is 4.90% for use effective September 30, 2025. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDROM is not used to determine a plan's funded status or Actuarially Determined Contribution (Florida Chapter 112 determined employer contribution). The plan's expected return on assets, currently 6.50%, is used for these calculations.

As of September 30, 2025, the LDROM for the system is $836,981,171. The difference between the plan's AAL of $668,536,894 and the LDROM can be thought of as the increase in the AAL if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the plan's diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the Actuarially Determined Contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

Risk

The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.

We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition but have included a brief discussion of some risks that may affect the Plan.

- Economic and Other Related Risks. Potential implications for the Plan due to the following economic effects (that were not reflected as of the valuation date) include:
  - Volatile financial markets and investment returns lower than assumed
  - High inflationary environment impacting salary increases and COLAs
- Investment Risk (the risk that returns will be different than expected)

  If the actual return on market value for the prior plan year were 1% different (either higher or lower), the unfunded actuarial liability would change by 0.86%, or about $3,043,215, disregarding the asset smoothing method.

  Since the Plan's assets are much larger than contributions, investment performance may create volatility in the actuarially determined contribution requirements. For example, for the prior plan year, if the actual return on market value were 1% different, the actuarially determined contribution would increase or decrease by $223,524, disregarding the effects of the 5-year phase-in of investment gains and losses.

  The market value rate of return over the last 18 years has ranged from a low of -16.18% to a high of 27.03%.
- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the actuarially determined contribution.
- Contribution Risk (the risk that actual contributions will be different from actuarially determined contribution)

  The Plan's funding policy requires payment of the City's minimum required contribution, which is the Florida Chapter 112 determined contribution reduced for anticipated funding from allocated surtax income. This policy produces a risk that this reduction in immediate funding might be either too large or too small, depending on whether the surtax income gross as quickly as expected.

  If the City paid the Florida Chapter 112 determined contribution, the effective amortization period would be 21 years, meaning that the current contribution level, with amortization payments growing 1.25%, would be adequate to be expected to reduce the unfunded liability to zero over 21 years. Under the City's current policy of paying the City's required contribution, over the

immediate term, the unfunded liability will remain relatively stable until the surtax income becomes payable to the Plan's trust. If plan experience is less favorable than anticipated, the unfunded liability will grow faster than expected. By comparison, the surtax revenue is assumed to grow 4.25% per year.

- Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:

  – Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.

  – More or less active participant turnover than assumed.

- There are external factors including legislative or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan.

- Actual Experience Over the Last Ten Years

  Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

  – The annual non-investment gain(loss) has ranged from a loss of $10,056,085 to a gain of $1,918,720.

Plan Year Ended	Market Investment Gain/(Loss)	All Other Gains and (Losses)
2016	-$2,401,011	$529,028
2017	14,071,137	1,978,720
2018	5,056,884	-1,546,971
2019	-12,089,300	-5,808,796
2020	-5,273,967	-10,056,085
2021	45,760,012	-5,207,826
2022	-64,741,818	-9,570,213
2023	16,846,955	-9,563,522
2024	29,568,827	-6,041,210
2025	13,236,102	-6,866,086

  – The funded percentage on the actuarial value of assets has ranged from a low of 46.8% in 2025 to a high of 50.8% in 2016.

Section 2: Actuarial Valuation Results

Maturity Measures

- As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities.
- Currently the Plan has a non-active to active participant ratio of 1.74.
- For the prior year, benefits paid and administrative expenses were $4,811,000 more than contributions received. Plans with high levels of negative cash flows may have a need for a larger allocation to income-generating assets, which can create a drag on investment return.

GFOA funded liability by type

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the Plan's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with employee contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

GFOA Funded Liability by Type as of September 30

Type	2025	2024
Actuarial accrued liability (AAL)		
Active member contributions	$21,717,674	$20,659,768
Retirees and beneficiaries	464,096,069	432,319,927
Active and inactive members (employer-financed)	182,723,151	167,860,096
Total	**$668,536,894**	**$620,839,791**
Actuarial value of assets	312,812,405	289,708,491
Cumulative portion of AAL covered		
Active member contributions	**100.00%**	**100.00%**
Retirees and beneficiaries	**62.72%**	**62.23%**
Active and inactive members (employer-financed)	**0.00%**	**0.00%**

Actuarial balance sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current participants is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the "liability" of the Plan.

Second, this liability is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet

Description	Year Ended September 30, 2025	Year Ended September 30, 2024
Liabilities		
Present value of benefits for retired participants and beneficiaries	$464,096,069	$432,319,927
Present value of benefits for inactive vested participants	506,567	593,007
Present value of benefits for active participants	281,783,259	277,331,275
Total liabilities	**$746,385,895**	**$710,244,209**
Current and future assets		
Total valuation value of assets	$312,812,405	$289,708,491
Present value of future contributions by members	17,594,851	20,610,307
Present value of future employer contributions for:		
• Entry age cost	60,254,150	68,794,111
• Unfunded actuarial accrued liability	355,724,489	331,131,300
Total of current and future assets	**$746,385,895**	**$710,244,209**

Section 3: Supplemental Information

Exhibit A: Table of plan demographics

Demographic Data	September 30, 2025	September 30, 2024	Change
Active participants in valuation:			
• Number	300	319	-6.0%
• Average age	43.6	43.1	0.5
• Average years of service	14.9	14.2	0.7
• Covered payroll	$26,382,957	$27,581,346	-4.3%
• Average payroll	$87,943	$86,462	1.7%
• Employee contribution balances	21,717,674	20,659,768	5.1%
• Total active vested participants	300	319	-6.0%
Inactive participants	5	4	25.0%
Retired participants:			
• Number in pay status	394	382	3.1%
• Average age	62.6	62.0	0.6
• Average monthly benefit[1]	$4,568	$4,475	2.1%
Disabled participants:			
• Number in pay status	15	16	-6.3%
• Average age	59.8	59.1	0.7
• Average monthly benefit[1]	$2,591	$2,530	2.4%
DROP participants not yet in pay status:			
• Number in pay status	69	72	-4.2%
• Average age	54.1	53.6	0.5
• Average monthly benefit[1]	$4,643	$4,291	8.2%

[1]Does not include supplemental benefit amounts

Section 3: Supplemental Information

Demographic Data	September 30, 2025	September 30, 2024	Change
Beneficiaries:			
• Number in pay status	39	35	11.4%
• Average age	62.3	61.5	0.8
• Average monthly benefit	$3,552	$3,450	3.0%

Exhibit B: Participants in active service and average limited compensation as of September 30, 2025 by age and years of service

Age	Total	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34
25 - 29	9	9	—	—	—	—	—
	$71,039	$71,039	—	—	—	—	—
30 - 34	46	24	22	—	—	—	—
	$78,207	$74,386	$82,375	—	—	—	—
35 - 39	64	8	30	26	—	—	—
	$86,740	$74,979	$84,248	$93,235	—	—	—
40 - 44	62	5	11	37	9	—	—
	$92,293	$74,328	$88,203	$94,981	$96,221	—	—
45 - 49	47	2	9	25	8	3	—
	$95,854	$78,534	$80,181	$88,045	$124,912	$142,000	—
50 - 54	34	—	6	17	7	3	1
	$90,753	—	$77,308	$90,093	$95,736	$111,128	$86,640
55 - 59	21	2	4	14	1	—	—
	$85,643	$71,424	$75,858	$90,463	$85,740	—	—
60 - 64	15	—	3	10	2	—	—
	$87,884	—	$75,264	$90,372	$94,374	—	—
65 - 69	2	—	1	1	—	—	—
	$82,542	—	$80,844	$84,240	—	—	—
Total	**300**	**50**	**86**	**130**	**27**	**6**	**1**
	$87,943	**$73,920**	**$82,622**	**$91,735**	**$104,071**	**$126,564**	**$86,640**

Exhibit C: Reconciliation of participant data

Description	Active Participants	Inactive Vested Participants	DROP Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of October 1, 2024	**319**	**4**	**72**	**16**	**382**	**35**	**828**
New participants	—	N/A	—	N/A	N/A	N/A	—
Terminations — with vested rights	-2	2	—	—	—	—	—
Terminations — without vested rights	—	N/A	—	N/A	N/A	N/A	—
Retirements	-3	-1	-15	N/A	19	N/A	—
New DROP participants	-13	—	13	—	—	—	—
New disabilities	—	—	—	—	N/A	N/A	—
Return to work	—	—	—	—	—	N/A	—
Deceased	—	—	-1	-1	-8	—	-10
New beneficiary	—	—	—	—	—	6	6
Lump sum cash-outs	-1	—	—	—	—	—	-1
Rehire	—	—	—	N/A	—	N/A	—
Certain period expired	N/A	N/A	—	—	—	-1	-1
Data adjustments	—	—	—	—	1	-1	—
Active participants no longer accruing benefits	—	—	—	N/A	N/A	N/A	—
Net transfers (to)/from General	—	—	—	—	—	—	—
Number as of October 1, 2025	**300**	**5**	**69**	**15**	**394**	**39**	**822**

Exhibit D: Summary of income and expenses on a market value basis

Item	Year Ended September 30, 2025	Year Ended September 30, 2024
Contribution and other income:		
• Employer contributions	$21,981,000	$19,386,000
• Employee contributions	3,086,000	2,854,000
– **Total contributions**	**$25,067,000**	**$22,240,000**
Investment income:		
• Interest, dividends, and other	$1,848,000	$2,713,000
• Realized appreciation	1,557,000	30,593,000
• Unrealized appreciation	31,019,000	15,388,000
• Less investment fees	-1,407,000	-2,059,000
– **Net investment income**	**$33,017,000**	**$46,635,000**
Benefit payments and expenses:		
• Administrative expenses	-$157,000	-$138,000
• Benefit payments	-23,968,000	-22,549,000
• DROP credits	-3,868,000	-3,774,000
• Refunds	-1,525,000	-2,922,000
• DROP withdrawals	1,599,000	2,760,000
• DROP interest/adjustment	-1,959,000	-546,000
– **Total benefit payments and expenses**	**-$29,878,000**	**-$27,169,000**
Change in market value of assets	**$28,206,000**	**$41,706,000**
Market value of assets, beginning of the year	**$306,727,000**	**$265,021,000**
Market value of assets, end of the year	**$334,933,000**	**$306,727,000**

Exhibit E: Determination of Actuarial Value of Assets

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Determination of Actuarial Value of Assets for Year Ended September 30, 2025

	Item	Original Amount[1]	Percent Deferred[2]	Unrecognized Amount[3]	Amount
1.	Market value of assets, September 30, 2025				$334,933,000
2.	Calculation of unrecognized return				
a.	Year ended September 30, 2025	$13,236,102	80%	$10,588,882	
b.	Year ended September 30, 2024	29,568,827	60%	17,741,295	
c.	Year ended September 30, 2023	16,846,955	40%	6,738,782	
d.	Year ended September 30, 2022	-64,741,818	20%	-12,948,364	
e.	Year ended September 30, 2021	45,760,012	0%	0	
f.	**Total unrecognized return**				**$22,120,595**
3.	**Preliminary actuarial value: (1) - (2f)**				**312,812,405**
4.	Adjustment to be within 20% corridor				0
5.	**Final actuarial value of assets as of September 30, 2025: (3) + (4)**				**$312,812,405**
6.	Actuarial value as a percentage of market value: (5) ÷ (1)				93.4%
7.	Amount deferred for future recognition: (1) - (5)				$22,120,595

[1] Total return minus expected return on a market value basis.
[2] Percent deferred applies to the current valuation year.
[3] Recognition at 20% per year over five years. Deferred return as of September 30, 2025 recognized in each of the next four years:
a. Amount recognized on September 30, 2026 -$1,017,989
b. Amount recognized on September 30, 2027 11,930,377
c. Amount recognized on September 30, 2028 8,560,986
d. Amount recognized on September 30, 2029 2,647,221

Exhibit F: Summary statement of plan assets

Item	As of September 30, 2025	As of September 30, 2024
Cash and accounts receivable		
• **Cash equivalents**	**$2,151,000**	**$3,415,000**
• **Total accounts receivable**	**$4,000**	**$73,000**
Investments:		
• Equities	$196,420,000	$181,017,000
• Fixed Income	76,100,000	63,500,000
• Real Estate	48,600,000	50,800,000
• Other Assets	31,000,000	23,000,000
• **Total investments at market value**	**$352,120,000**	**$318,317,000**
Total assets	**$354,275,000**	**$321,805,000**
Accounts payable	**-$19,342,000**	**-$15,078,000**
Net assets at market value	**$334,933,000**	**$306,727,000**
Net assets at actuarial value	**$312,812,405**	**$289,708,491**

Exhibit G: History of financial information

Year Ended September 30	Employer Contributions	Employee Contributions	Net Investment Return[1]	Admin. Expenses	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2016	$18,864,000	$2,410,000	$11,548,000	$75,000	$15,583,000	$167,387,000	$175,333,405	104.7%
2017	19,162,000	2,500,000	26,747,000	75,000	18,338,000	197,383,000	191,740,583	97.1%
2018	13,973,000	3,151,000	19,269,000	128,000	16,981,000	216,667,000	207,089,881	95.6%
2019	14,498,000	3,225,000	3,496,000	158,000	17,974,000	219,754,000	220,334,774	100.3%
2020	15,058,000	3,401,000	9,840,000	153,000	19,728,000	228,172,000	234,514,215	102.8%
2021	15,061,000	3,341,000	61,141,000	160,000	22,204,000	285,351,000	255,558,542	89.6%
2022	17,610,000	3,153,000	-45,935,000	159,000	23,553,000	236,467,000	265,245,309	112.2%
2023	17,196,000	3,333,000	32,102,000	97,000	23,980,000	265,021,000	273,139,317	103.1%
2024	19,386,000	2,854,000	46,635,000	138,000	27,031,000	306,727,000	289,708,491	94.5%
2025	21,981,000	3,086,000	33,017,000	157,000	29,721,000	334,933,000	312,812,405	93.4%

[1] On a market basis, net of investment fees

Exhibit H: Table of amortization bases

Florida Chapter 112 Recommended Contribution Amortization Bases

Type	Date Established	Initial Period	Initial Amount	Annual Payment[1]	Years Remaining	Outstanding Balance
Fresh start	10/1/2016	30	$178,901,268	$12,728,607	21	$168,893,742
Experience loss	10/1/2017	30	-2,816,018	-197,436	22	-2,688,044
Change in assumptions	10/1/2017	30	-283,924	-19,906	22	-271,021
Plan Amendment	10/1/2017	30	9,863,395	691,541	22	9,415,151
Experience loss	10/1/2018	29	5,111,441	358,584	22	4,882,022
Change in assumptions	10/1/2018	29	19,111,594	1,340,738	22	18,253,790
Experience loss	10/1/2019	28	12,171,775	855,610	22	11,648,900
Change in assumptions	10/1/2019	28	-7,304,312	-513,453	22	-6,990,532
Experience loss	10/1/2020	27	15,277,628	1,077,499	22	14,669,856
Change in assumptions	10/1/2020	27	6,108,635	430,829	22	5,865,621
Experience loss	10/1/2021	26	3,753,461	265,977	22	3,621,209
Change in assumptions	10/1/2021	26	11,440,746	810,712	22	11,037,630
Experience loss	10/1/2022	25	19,787,855	1,411,295	22	19,214,404
Change in assumptions	10/1/2022	25	8,804,784	627,968	22	8,549,621
Experience loss	10/1/2023	24	24,110,512	1,733,772	22	23,604,843
Change in assumptions	10/1/2023	24	1,104,396	79,416	22	1,081,233
Experience loss	10/1/2024	23	11,685,739	848,549	22	11,552,764
Change in assumptions	10/1/2024	23	24,990,713	1,814,677	22	24,706,339
Experience loss	10/1/2025	22	9,749,863	716,126	22	9,749,863
Change in assumptions	10/1/2025	22	18,927,098	1,390,192	22	18,927,098
Total				**$26,451,297**		**$355,724,489**

[1] Level percent of payroll

Section 3: Supplemental Information

City's Minimum Recommended Contribution Surtax Amortization Bases

Type	Date Established	Initial Period	Initial Amount	Annual Payment[1]	Years Remaining	Outstanding Balance
Discounted surtax revenue applied	10/01/2016	30	-$64,295,005	-$4,574,511	21	-$60,698,418
Surtax offset gain	10/01/2017	30	-1,534,336	-107,575	22	-1,464,606
Allocation change	10/01/2017	30	4,705,811	329,933	22	4,491,954
Discount rate change	10/01/2017	30	-3,286,369	-230,413	22	-3,137,018
Surtax offset gain	10/01/2018	29	-1,420,046	-99,621	22	-1,356,309
Allocation change	10/01/2018	29	-1,349,426	-94,666	22	-1,288,859
Discount rate change	10/01/2018	29	-3,713,867	-260,539	22	-3,547,175
Surtax offset gain	10/01/2019	28	-348,544	-24,501	22	-333,572
Allocation change	10/01/2019	28	-7,142,670	-502,091	22	-6,835,836
Discount rate change	10/01/2019	28	-2,159,598	-151,808	22	-2,066,826
Surtax offset loss	10/01/2020	27	6,298,215	444,200	22	6,047,661
Allocation change	10/01/2020	27	3,119,832	220,035	22	2,995,718
Discount rate change	10/01/2020	27	-2,063,845	-145,558	22	-1,981,740
Surtax offset gain	10/01/2021	26	-9,862,882	-698,902	22	-9,515,363
Allocation change	10/01/2021	26	-4,296,673	-304,470	22	-4,145,279
Discount rate change	10/01/2021	26	-4,356,487	-308,709	22	-4,202,985
Surtax offset gain	10/01/2022	25	-6,174,896	-440,401	22	-5,995,948
Allocation change	10/01/2022	25	2,166,398	154,510	22	2,103,615
Discount rate change	10/01/2022	25	-3,393,985	-242,063	22	-3,295,628
Surtax smoothing	10/01/2022	25	4,985,065	355,541	22	4,840,598
Surtax offset gain	10/01/2023	24	-2,880,697	-207,149	22	-2,820,280
Surtax offset gain	10/01/2024	23	-2,544,337	-184,755	22	-2,515,384
Surtax offset gain	10/01/2025	22	-1,748,081	-128,396	22	-1,748,081
Allocation change	10/01/2025	22	-8,136,102	-597,595	22	-8,136,102
Total				**-$7,799,504**		**-$104,605,863**

[1] Level percentage of payroll; per Part VII, Chapter 112.64(5)(b) of Florida Statutes, outstanding balances were amortized using a 1.25% payroll growth rate for October 1, 2025 valuation.

Exhibit I: Section 415

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the Plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of $160,000 indexed for inflation. That limit is $280,000 for 2025 and $290,000 for 2026. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as form of benefits chosen and after tax contributions.

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Exhibit J: Supplementary state of Florida information
Summary of salary Changes

Year Ended September 30	Total Salary	Percent Change in Total Salary	Percent Change in Salary of Employees Remaining Active	Expected Percent Change in Salary of Employees Remaining Active
2010*	$27,869,052	0.75%	N/A	N/A
2010	32,329,400	16.88%	2.45%	5.28%
2011	31,832,037	-1.54%	3.09%	5.80%
2012	28,944,158	-9.07%	0.78%	6.15%
2013	27,871,010	-3.71%	3.03%	1.72%
2014	27,373,702	-1.78%	3.89%	1.70%
2015	28,091,083	2.62%	3.08%	1.66%
2016	26,585,054	-5.36%	2.63%	4.26%
2017	27,548,015	3.62%	4.03%	8.21%
2018	28,164,021	2.24%	10.21%	8.31%
2019	28,726,006	2.00%	12.46%	8.34%
2020	28,268,208	-1.59%	12.06%	3.98%
2021	25,903,031	-8.37%	3.06%	3.84%
2022	25,260,815	-2.48%	8.64%	3.69%
2023	24,526,732	-2.91%	8.86%	3.51%
2024	27,581,346	12.45%	21.91%	5.51%
2025	26,382,957	-4.34%	1.96%	10.86%

Note: The Plan was closed to new entrants as of October 1, 2017.

The average total payroll growth for the most recent ten years was -0.63% per year. Additional analysis of bargained pay increases applicable for the next year and pay of DC plan participants was used to support a payroll increase assumption of 1.25%.

*Prior to the inclusion of new participants with greater than one year of employment.

Exhibit K: Supplementary state of Florida information
Recent History of Recommended and Actual Contributions

Fiscal Year Ended September 30	Valuation Date October 1	Contribution Rate as Percent of Valuation Payroll	Valuation Payroll	Florida Chapter 112 Recommended Contribution	City's Minimum Required Contribution	Actual Contribution
2013	2011	39.11%	$32,946,158	$12,884,770	- -	$10,742,000
2014	2012	49.93%	29,812,483	14,884,963	- -	13,522,000
2015	2013	62.81%	28,049,384	17,618,896	- -	17,832,000
2016	2014	68.64%	27,480,459	18,863,935	- -	18,864,000
2017	2015	67.73%	28,282,102	19,155,820	- -	19,162,000
2018	2016	69.26%	26,917,306	18,643,233	$13,973,105	13,973,000
2019	2017	68.63%	27,892,365	19,141,501	14,497,788	14,498,000
2020	2018	70.53%	28,516,071	20,111,161	15,042,623	15,058,000
2021	2019	71.56%	29,085,081	20,812,130	15,044,530	15,061,000
2022	2020	79.84%	28,621,561	22,851,586	17,592,399	17,610,000
2023	2021	90.55%	26,226,819	23,748,105	17,185,973	17,196,000
2024	2022	102.16%	25,576,575	26,128,351	19,385,644	19,386,000
2025	2023	116.86%	24,833,316	29,019,915	21,981,270	21,981,000
2026	2024	122.39%	27,926,113	34,180,104	26,862,343	- -
2027	2025	137.31%	26,712,744	36,678,049	28,508,367	- -

The Plan was closed to new entrants as of October 1, 2017; as a result, valuation payroll is expected to continue declining.

Exhibit L: Supplementary State of Florida Information Comparative Summary of Principal Valuation Results

	Year Ended September 30, 2025	Year Ended September 30, 2024
Participant data		
Active members	300	319
Total annual payroll	$26,382,957	$27,581,346
Retired members and beneficiaries	448	437
Total annualized benefit	$23,727,786	$23,055,523
Terminated vested members	5	4
Total annualized benefit	$72,144	$63,084
DROP participants	69	72
Total annualized benefit	$3,844,158	$3,836,080
Actuarial value of assets	$312,812,405	$289,708,491
Present value of all future expected benefit payments:		
Active members:		
Retirement benefits	$253,389,352	$248,976,183
Vesting benefits	1,283,820	1,452,792
Disability benefits	4,293,843	4,681,847
Death benefits	1,098,570	1,560,685
Return of contributions	21,717,674	20,659,768
Total	$281,783,259	$277,331,275
Terminated vested members	506,567	593,007
Retired members and beneficiaries	386,695,670	358,232,406
DROP participants	77,400,399	74,087,521
Total	**$746,385,895**	**$710,244,209**

Exhibit L: Supplementary State of Florida Information Comparative Summary of Principal Valuation Results (Cont'd)

	Year Ended September 30, 2025	Year Ended September 30, 2024
Unfunded actuarial accrued liability	$355,724,489	$331,131,300
Actuarial present value of accrued benefits		
Vested accrued benefits		
Active members	$158,103,452	$122,254,995
Inactive members	506,567	593,007
Retirees and beneficiaries	386,695,670	358,232,406
DROP participants	77,400,399	74,087,521
Nonvested active members	0	0
Total	$622,706,088	$555,167,929
Pension cost		
Normal cost, including administrative expenses	$11,076,208	$11,192,081
Expected employee contributions	-2,511,380	-2,605,137
Level % of payroll payment to amortize unfunded actuarial accrued liability	26,451,297	24,044,421
Discounted and amortized value of allocated surtax revenue	-7,799,504	-6,986,185
Timing adjustment	939,791	885,529
Total minimum annual cost payable monthly at valuation date	$28,156,412	$26,530,709
Total employer cost projected to budget year	**28,508,367**	**26,862,343**
Projected payroll	26,712,744	27,926,113
As % of projected payroll	106.72%	96.19%
Present value of active members' future salaries at attained age	$175,948,507	$206,103,072
Present value of expected future employee contributions	17,594,851	20,610,307

Exhibit M: Supplementary state of Florida Information Actuarial Present Value of Accumulated Plan Benefits

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Actuarial present value of accumulated benefits as of October 1, 2024	$555,168,092
Benefits accumulated, net experience gain or loss, changes in data	44,467,351
Benefits paid	-29,721,000
Interest	35,119,993
Changes in assumptions	17,671,652
Plan changes	0
Net increase	67,537,996
Actuarial present value of accumulated benefits as of October 1, 2025	$622,706,088

Exhibit N: Supplementary State of Florida information Reconciliation of DROP accounts

Nearest Age	Total Actives*	Eligible for Normal**	Number Retiring	Number Entering DROP
Under 40	121	1	0	0
40	12	3	0	0
41	16	2	1	0
42	10	2	0	0
43	12	4	0	0
44	14	6	0	1
45	12	3	0	1
46	13	4	0	1
47	8	3	0	0
48	9	3	0	0
49	8	3	0	1
50	3	2	0	0
51	9	6	0	0
52	6	2	0	0
53	6	3	0	1
54	11	3	0	0
55	7	2	0	1
56	9	2	0	2
57	8	2	0	2
58	2	0	0	0
59	3	2	0	2
60	5	2	0	0
61	4	2	1	1
62	4	0	0	0
63	1	0	0	0
64	3	0	0	0
65 & over	3	3	1	0
Total	319	65	3	13

*Number of active participants from prior valuation
**Number of active participants either eligible to retire as of October 1, 2024 or who became eligible during the plan year ended September 30, 2025

Exhibit O: Actuarial Projections through Fiscal 2063

Plan Year Beginning	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Contributions for Fiscal Year Ending	Surtax Contribution	% of Total Contribution	Required City Contribution	% of Total Contribution	Total Contribution
					2026	$0	0.0%	$120,076,962	100.0%	$120,076,962
2025	$3,942,418,706	$2,085,827,031	$1,856,591,675	52.91%	2027	0	0.0%	130,281,201	100.0%	130,281,201
2026	3,996,212,638	2,103,652,093	1,892,560,545	52.64%	2028	0	0.0%	130,950,654	100.0%	130,950,654
2027	4,042,754,845	2,224,909,344	1,817,845,501	55.03%	2029	0	0.0%	124,181,695	100.0%	124,181,695
2028	4,085,154,146	2,319,077,271	1,766,076,875	56.77%	2030	0	0.0%	119,536,898	100.0%	119,536,898
2029	4,122,462,790	2,360,497,952	1,761,964,838	57.26%	2031	46,438,125	28.2%	118,318,719	71.8%	164,756,844
2030	4,153,337,524	2,373,103,707	1,780,233,817	57.14%	2032	64,548,994	35.2%	118,743,806	64.8%	183,292,800
2031	4,176,880,078	2,424,872,419	1,752,007,659	58.05%	2033	67,292,326	36.2%	118,852,710	63.8%	186,145,036
2032	4,192,068,031	2,490,602,161	1,701,465,870	59.41%	2034	70,152,250	37.1%	119,137,848	62.9%	189,290,098
2033	4,200,276,792	2,556,764,431	1,643,512,361	60.87%	2035	73,133,720	38.0%	119,428,119	62.0%	192,561,839
2034	4,198,315,201	2,620,969,016	1,577,346,185	62.43%	2036	76,241,903	38.9%	119,573,766	61.1%	195,815,669
2035	4,187,275,643	2,685,145,454	1,502,130,189	64.13%	2037	79,482,184	39.9%	119,815,572	60.1%	199,297,756
2036	4,168,413,465	2,751,041,921	1,417,371,544	66.00%	2038	82,860,177	40.8%	120,052,609	59.2%	202,912,786
2037	4,139,572,225	2,817,386,050	1,322,186,175	68.06%	2039	86,381,735	41.8%	120,272,654	58.2%	206,654,389
2038	4,102,559,862	2,886,841,939	1,215,717,923	70.37%	2040	90,052,958	42.8%	120,533,602	57.2%	210,586,560
2039	4,056,683,664	2,959,562,395	1,097,121,269	72.96%	2041	93,880,209	43.7%	120,875,191	56.3%	214,755,400
2040	4,002,470,041	3,036,999,523	965,470,518	75.88%	2042	97,870,118	44.6%	121,359,734	55.4%	219,229,852
2041	3,938,842,673	3,119,046,178	819,796,495	79.19%	2043	102,029,598	45.6%	121,828,225	54.4%	223,857,823
2042	3,867,651,894	3,208,821,379	658,830,515	82.97%	2044	106,365,856	46.5%	122,402,978	53.5%	228,768,834
2043	3,788,060,386	3,306,555,403	481,504,983	87.29%	2045	110,886,405	47.4%	123,060,357	52.6%	233,946,762
2044	3,700,949,696	3,414,425,421	286,524,275	92.26%	2046	0	0.0%	123,800,263	100.0%	123,800,263
2045	3,606,771,508	3,534,246,792	72,524,716	97.99%	2047	0	0.0%	124,630,932	100.0%	124,630,932
2046	3,506,782,460	3,549,372,258	(42,589,798)	101.21%	2048	0	0.0%	55,413,891	100.0%	55,413,891
2047	3,402,753,040	3,569,633,884	(166,880,844)	104.90%	2049	0	0.0%	6,213,128	100.0%	6,213,128

2048	3,293,505,829	3,522,046,681	(228,540,852)	106.94%	2050	0	0.0%	5,528,380	100.0%	5,528,380
2049	3,181,922,025	3,426,042,455	(244,120,430)	107.67%	2051	0	0.0%	4,988,146	100.0%	4,988,146
2050	3,069,000,883	3,329,568,124	(260,567,241)	108.49%	2052	0	0.0%	4,510,073	100.0%	4,510,073
2051	2,951,891,381	3,229,913,786	(278,022,405)	109.42%	2053	0	0.0%	4,023,724	100.0%	4,023,724
2052	2,833,896,767	3,130,521,030	(296,624,263)	110.47%	2054	0	0.0%	3,606,253	100.0%	3,606,253
2053	2,718,228,202	3,034,595,579	(316,367,377)	111.64%	2055	0	0.0%	3,346,600	100.0%	3,346,600
2054	2,602,848,488	2,940,081,843	(337,233,355)	112.96%	2056	0	0.0%	3,125,539	100.0%	3,125,539
2055	2,489,345,789	2,848,763,911	(359,418,122)	114.44%	2057	0	0.0%	2,974,762	100.0%	2,974,762
2056	2,379,656,613	2,762,630,979	(382,974,366)	116.09%	2058	0	0.0%	2,930,890	100.0%	2,930,890
2057	2,270,706,611	2,678,659,537	(407,952,926)	117.97%	2059	0	0.0%	2,876,314	100.0%	2,876,314
2058	2,163,488,004	2,598,055,776	(434,567,772)	120.09%	2060	0	0.0%	2,838,978	100.0%	2,838,978
2059	2,061,010,160	2,523,906,518	(462,896,358)	122.46%	2061	0	0.0%	2,907,078	100.0%	2,907,078
2060	1,960,903,680	2,453,862,211	(492,958,531)	125.14%	2062	0	0.0%	2,978,425	100.0%	2,978,425
2061	1,863,256,031	2,388,228,536	(524,972,505)	128.18%	2063	0	0.0%	3,051,505	100.0%	3,051,505
2062	1,768,172,832	2,327,239,570	(559,066,738)	131.62%	2064	0	0.0%	3,126,062	100.0%	3,126,062
2063	1,675,826,792	2,271,203,533	(595,376,741)	135.53%	2065	0	0.0%	3,203,823	100.0%	3,203,823
Total:						$1,247,616,559	33.2%	$2,795,035,166	66.8%	$4,186,851,776
Total Present Value at 6.50%:						$530,126,968	28.3%	$1,343,693,016	71.7%	$1,873,819,984

Assumptions

Investment Return Assumption	6.50% per year
Actuarial Value of Assets	5-year smoothed market value
Payroll Growth Assumption	1.50% per year
Pension Liability Surtax Proceeds	34.50%, projected to increase 4.25% annually
Administrative Expenses	Projected to increase 2.5% annually

Projections are not a guarantee of future results. They are intended to serve as estimates of future financial outcomes that are based on assumptions about future experience and the information available at the time the modeling is undertaken and completed. Projected results will change if demographic or economic assumptions, or plan provisions, change in the future, or if the contributing employers make contributions other than expected.

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each demographic assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the five-year period ended September 30, 2022.

Net investment return

6.50%. The net investment return assumption was chosen by the Retirement System's Board of Trustees with input from the actuary. The assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.

Salary increases

Salary increases include an assumed inflation rate of 2.50%

Effective 10/1/2026		10/1/2027 and Thereafter	
Service	**Rate (%)**	**Service**	**Rate (%)**
0	10.75	0	10.00
1	8.65	1 – 2	8.00
2	11.40	3 – 10	7.00
3	11.25	11 - 15	6.00
4	7.00	16+	3.50
5	11.40		
6	7.00		
7	12.50		
8	7.00		
9	9.25		
10	11.40		
11	9.20		
12-15	9.10		
16+	9.00		

Payroll growth

1.25% used for amortization of unfunded liability amounts, based on the requirement in the Florida Statutes that the assumption for this purpose may not exceed the average annual growth for the preceding ten years. Negotiated pay level increases and pay of DC Plan participants were taken into consideration in setting a payroll growth that is expected to be achieved and maintained on a ten-year average basis. The Fund's long-term payroll growth assumption is equal to the inflation assumption of 2.50%.

Mortality rates

Healthy pre-retirement: Pub-2010 Benefits Weighted Safety Employee Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021

Healthy post-retirement: Pub-2010 Benefits Weighted Safety Healthy Retiree Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021

Disabled: Pub-2010 Headcount Weighted General Disabled Retiree Sex-Distinct Tables, set forward 1 year for females only, projected generationally using Scale MP-2021

The Pub-2010 Benefits Weighted Safety Healthy Retiree Tables, with the respective set-forwards, reasonably reflect the healthy annuitant mortality experience of the Corrections Officers Retirement Plan as of the measurement date. The Pub-2010 Headcount Weighted General Retiree Mortality tables, including the one year set forward for females, reasonably reflect the disabled annuitant mortality experience as of the measurement date.

Annuitant mortality rates

Rate (%)*

	Healthy		Disabled	
Age	Male	Female	Male	Female
55	0.41	0.32	2.23	1.80
60	0.70	0.55	2.72	2.11
65	1.24	0.96	3.39	2.57
70	2.23	1.65	4.34	3.34
75	4.03	2.86	5.72	4.68
80	7.26	4.93	8.07	6.99
85	12.77	8.51	11.78	10.79
90	20.75	14.49	16.96	15.50

* Mortality rates shown for base table.

Termination rates before retirement

Rate (%)

	Rate (%)			
	Mortality[1]		Disability[2]	
Age	Male	Female	Male	Female
20	0.04	0.02	0.03	0.03
25	0.04	0.02	0.04	0.04
30	0.04	0.03	0.05	0.05
35	0.05	0.04	0.08	0.08
40	0.07	0.06	0.12	0.12
45	0.10	0.08	0.18	0.18
50	0.15	0.10	0.30	0.30
55	0.22	0.14	0.47	0.47
60	0.34	0.19	0.75	0.75
65	0.60	0.30	0.00	0.00

[1] Mortality rates shown for base table.

[2] 100% of disabilities are assumed to be non-service incurred.

Withdrawal	
Service	Rate (%)
0-3	12.00
4-5	7.00
6-7	5.00
8+	1.00

Retirement rates

Age/Service	Retirement Probability (%)
Under 20	0
20	65
21	35
22	20
23 - 25	15
26 – 27	20
28+	100

100% retirement assumed at age 65 with 5 years of service; for ages less than 65, retirement rate assumptions are based on service

Refund of Contributions

95% of participants that are vested and terminate are assumed to take a refund of their employee contributions in lieu of their accrued benefit deferred to age 65

Retirement rates for inactive vested participants

65

Unknown data for participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Value of Applicable Tax Revenue

Smoothed revenue of $134,110,219 for fiscal 2025 is used as the basis of the City's revenue projection. This amount is prior to the application of the allocation percentage. Smoothed revenue is calculated as actual revenue less unrecognized revenue growth. Unrecognized revenue growth is equal to the difference between actual and expected revenue growth, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the actual revenue. This method is applied prospectively to revenue growth occurring during fiscal 2022 and later.

Actual revenue for fiscal 2025 was $134,040,646.

Tax Revenue Growth Rate

4.25%. This assumption is determined by the City. Segal has not reviewed the information used to set this assumption, but Segal previously reviewed the sensitivity of this assumption when it was initially set.

Projected Tax Revenue Allocation

6.40%. This percentage is determined by the City; last year's percentage was 6.10%.

Administrative Expenses

Previous year's actual expenses; $157,000 for October 1, 2025.

Family Composition

60% of participants are assumed to be married. None are assumed to have dependent children. Females are assumed to be three years younger than their spouses.

Actuarial value of assets

Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected market return, and is recognized over a five - year period, further adjusted, if necessary, to be within 20% of the market value

Actuarial cost method

Entry Age Normal Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis based on each member's benefit accrual rate and are allocated by compensation.

Normal Cost is not included for participants who are assumed to retire with 100% certainty in the upcoming plan year based on the retirement assumptions.

Change in actuarial assumptions

In conjunction with updates to the mortality assumptions for the Florida Retirement System, the mortality assumptions were changed with this valuation to the following:

- Pre-retirement: Pub-2010 Benefits Weighted Safety Employee Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021
- Healthy Post-retirement: Pub-2010 Benefits Weighted Safety Healthy Retiree Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021
- Disabled: Pub-2010 Headcount Weighted General Disabled Retiree Sex-Distinct Tables, set forward 1 year for females only, projected generationally using Scale MP-2021

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan year

October 1 through September 30

Plan status

Closed to new entrants

Normal retirement

Age Requirement	Age 65 with five years of Credited Service or any age with 20 years of Credited Service.
Regular Benefit Amount	3.0% of Final Monthly Compensation times years of Credited Service for the first 20 years plus 2.0% of Final Monthly Compensation times years of Credited Service for years in excess of 20. However, the benefit may not exceed 80% of Final Monthly Compensation.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	$84.33 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Early retirement

None

Service-Incurred Disability

Age Requirement	None
Service Requirement	None
Regular Benefit Amount	50% of the average salary earned in the last three years immediately preceding disability retirement.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	$84.33 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Non-Service Incurred Disability

Age Requirement	None
Service Requirement	5 years of Credited Service
Regular Benefit Amount	25% percent of the average salary earned in the last three years immediately preceding disability retirement. For each year of service in excess of 5 years, the benefit shall be increased 2.5%, to a maximum of 50%.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	$84.33 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Vesting

Age Requirement	None
Service Requirement	5 years of Credited Service
Regular Benefit Amount	Accrued Normal Retirement Benefit payable at age 65.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month. Payable at Age 65.
Minimum Benefit Amount	$84.33 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Spouse's pre-retirement death benefit [(applicable only if elected by employee)]

Age Requirement	None
Service Requirement	None
Regular Benefit Amount	If the Member is eligible for retirement, the surviving spouse is entitled to 75% of the member's accrued retirement benefit. If the Member is not eligible for retirement, the surviving spouse is entitled to 75% of the pension the Member would have received if the Member had worked to eligibility for Normal Retirement at current salary, using a 2% annual accrual rate.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Member's Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	75% of $84.33 per whole year of Member's Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Spouse's post-retirement death benefit(s)

Regular Benefit Amount	Surviving spouse is entitled to 75% of the Member's regular benefit.
Supplemental Benefit Amount	Surviving spouse is entitled to 100% of the Member's supplemental benefit.
Minimum Benefit Amount	75% of the Member's Minimum Benefit Amount at retirement.

Member

All City Corrections Officers hired prior to October 1, 2017.

Member Contributions

10% of Earnable Compensation, additional 2% of Earnable Compensation during DROP participation.

Credited Service

The number of full years and months worked from date of participation to date of termination or retirement, plus any prior service purchased.

Final Monthly Compensation

Average monthly rate of Earnable Compensation during the highest 36 consecutive months (78 pay periods) out of the last ten years of employment

Earnable Compensation

Base pay for regular hours worked as an employee, plus service raises and excluding bonuses, adjusted compensation, overtime or any extra compensation over and above regularly budgeted salaries.

Cost of living adjustments (COLAs)

On the December 1st after the initial benefit commencement date, and on each December 1st thereafter, the regular benefit is increased by 3%.

DROP

Members with 20 or more years of service may elect to defer receipt of their retirement benefits while continuing employment with the City for up to 5 years. Upon the effective date of participating in the DROP, a member's years of service and Final Monthly Compensation become frozen for purposes of determining pension benefits. Additional service beyond the date of DROP participation no longer accrues any additional benefits under the Retirement System. Benefits that would have been payable are accumulated at interest to date of termination and paid or rolled over in a single sum, and payments are made directly to the Member thereafter based on the accrued retirement benefit at the DROP start date. COLA increases start at termination of employment rather than at the start of the DROP

Changes in plan provisions

There have been no changes in plan provisions since the last valuation.

Section 5: GASB Information

General information about the pension plan

Plan description

Plan membership. At September 30, 2025, pension plan membership consisted of the following:

Membership	Amount
Retired participants or beneficiaries currently receiving benefits	517
Inactive participants with a vested right to a deferred or immediate benefit	5
Active members	300
Total	**822**

Exhibit 1: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	September 30, 2026	September 30, 2025
Measurement date and reporting date for the plan under GASB 67	September 30, 2025	September 30, 2024
Total Pension Liability	$687,842,894	$635,917,791
Plan Fiduciary Net Position	354,239,000	321,805,000
Net Pension Liability	333,603,894	314,112,791
Plan Fiduciary Net Position as a percentage of the Total Pension Liability[10]	51.50%	50.60%

The Net Pension Liability (NPL) for the plan was measured as of September 30, 2025 and 2024. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total Pension Liability (TPL) was determined from actuarial valuations as of October 1, 2025 and 2024, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL are the same as those used in the CORP actuarial valuations as of October 1, 2025 and October 1, 2024, respectively.

Actuarial assumptions. The Total Pension Liability (TPL) as of September 30, 2025, which was determined based on the results of an actuarial valuation as of October 1, 2025, used the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Assumption
Wage inflation	2.50%
Salary increases	3.50% - 12.50%, of which 2.50% is the Plan's long-term payroll inflation assumption
Net investment rate of return	6.50%, net of pension plan investment expense, including inflation

[10] These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Section 5: GASB Information

Assumption Type	Assumption
Other assumptions	See the October 1, 2025 actuarial valuation for a complete description of all actuarial assumptions. These assumptions were developed in the analysis of actuarial experience study for the period October 1, 2017 through September 30, 2022.

Detailed information regarding all actuarial assumptions can be found in Section 4.

Exhibit 2: Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return[11]
Domestic equity	30.00%	5.90%
International equity	23.00%	6.00%
Fixed income	20.00%	1.90%
Real estate	15.00%	3.80%
Private equity	6.00%	9.50%
Private credit	6.00%	5.60%
Total	100.00%	

Discount rate. The discount rate used to measure the Total Pension Liability (TPL) was 6.50% as of September 30, 2025 and September 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both September 30, 2025 and September 30, 2024.

[11] Geometric real rates of return are net of inflation.

Exhibit 3: Discount rate sensitivity

The following presents the Net Pension Liability (NPL) of the CORP as of September 30, 2025, calculated using the discount rate of 6.50%, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

Item	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	$431,688,941	$333,603,894	$254,371,509

Exhibit 4: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	September 30, 2026	September 30, 2025
Measurement date and reporting date for the plan under GASB 67	September 30, 2025	September 30, 2024
Total Pension Liability		
Service cost	$11,054,081	$8,736,819
Interest	41,224,649	37,718,965
Change of benefit terms	0	0
Differences between expected and actual experience	6,212,275	5,651,847
Changes of assumptions	18,927,098	24,990,713
Benefit payments, including refunds of member contributions	(25,493,000)	(25,471,000)
Net change in Total Pension Liability	**$51,925,103**	**$51,627,344**
Total Pension Liability — beginning	635,917,791	584,290,447
Total Pension Liability — ending	**$687,842,894**	**$635,917,791**
Plan Fiduciary Net Position		
Contributions — employer	$21,981,000	$19,386,000
Contributions — employee	3,086,000	2,854,000
Net investment income	33,017,000	46,635,000
Benefit payments, including refunds of member contributions	(25,493,000)	(25,471,000)
Administrative expense	(157,000)	(138,000)
Other	0	0
Net change in Plan Fiduciary Net Position	**$32,434,000**	**$43,266,000**
Plan Fiduciary Net Position — beginning	321,805,000	278,539,000
Plan Fiduciary Net Position — ending	**$354,239,000**	**$321,805,000**

Section 5: GASB Information

Components of the Net Pension Liability	Current	Prior
Net Pension Liability		
Net Pension Liability – ending	$333,603,894	$314,112,791
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	51.50%	50.60%
Covered payroll[12]	$26,382,957	$27,581,346
Plan Net Pension Liability as percentage of covered payroll	1,264.47%	1,138.86%

Notes to Schedule:

- **Benefit changes:** No benefit changes have been reflected in the past two fiscal years.
- **Change of Assumptions:**

  As of September 30, 2024, the salary scale was updated in conjunction with the bargained salary increases effective October 1, 2025 and October 1, 2026.

  As of September 30, 2025, In conjunction with updates to the mortality assumptions for the Florida Retirement System, the mortality assumptions were changed with this valuation to the following:

  Pre-retirement: Pub-2010 Benefits Weighted Safety Employee Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021

  Healthy Post-retirement: Pub-2010 Benefits Weighted Safety Healthy Retiree Sex-Distinct Tables, set forward 3 years for males and 2 years for females, projected generationally using Scale MP-2021

  Disabled: Pub-2010 Headcount Weighted General Disabled Retiree Sex-Distinct Tables, set forward 1 year for females only, projected generationally using Scale MP-2021

[12] Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

Exhibit 5: Schedule of employer contributions

Year Ended September 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[13]	Contributions as a Percentage of Covered Payroll[14]
2016	$18,863,935	$18,864,000	($65)	$26,585,054	70.96%
2017	19,155,820	19,162,000	(6,180)	27,548,015	69.56%
2018	18,643,233	13,973,000	4,670,233	28,164,021	49.61%
2019	19,141,501	14,498,000	4,643,501	28,726,006	50.47%
2020	20,111,161	15,058,000	5,053,161	28,268,208	53.27%
2021	20,812,130	15,061,000	5,751,130	25,903,031	58.14%
2022	22,727,069	17,610,000	5,117,069	25,260,815	69.71%
2023	23,748,105	17,196,000	6,552,105	24,526,732	70.11%
2024	26,128,351	19,386,000	6,742,351	27,581,346	70.29%
2025	29,019,915	21,981,000	7,038,915	26,382,957	83.32%

See accompanying notes to this schedule on the next page.

[13] Pensionable payroll as of the measurement date.

[14] The City contributed the percentage of payroll represented by the actuarially determined contribution in the corresponding actuarial valuation for years ending on or before September 30, 2016. Actual dollar contributions may be more or less than the actuarially determined contributions due to actual payroll being different from projected payroll. Effective with the September 30, 2017 fiscal year, the City implemented a policy to ensure that the calculated dollar amount of the actuarially determined contribution was met.

Effective with the September 30, 2018 fiscal year, the City began contributing based on an adjusted state minimum required contribution that reflects an adjustment for an offset for amortization of the discounted value of projected surtax revenue allocated to the plan beginning in 2030.

Methods and assumptions used to establish “actuarially determined contribution" rates:

Valuation date

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Actuarial cost method

Entry Age Actuarial Cost Method

Amortization method

Level percent of payroll, using 1.25% annual increases. The Fund’s payroll inflation assumption was 2.50% as of October 1, 2023. Per Part VII, Chapter 112.64(5)(a) of Florida Statutes, the payroll growth assumption used for amortization of the unfunded liability is not allowed to exceed the average annual payroll growth for the proceeding ten years. However, pursuant to Chapter 112.64(5)(b), and after adjusting this analysis to account for bargained pay level increases and inclusion of DC plan participants in the total payroll, the assumption was set at 1.25%

Remaining amortization period.

As of October 1, 2023 the effective amortization period is 23 years.

Asset valuation method

The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Investment rate of return

6.50%, net of pension plan investment expense, including inflation.

Inflation rate

2.50%

Projected salary increases

2.80% - 7.50%, of which 2.50% is the Plan's long-term payroll inflation assumption.

Cost of living adjustments

Plan provisions contain a 3.00% COLA

Other information

Same as those used in the October 1, 2023 funding actuarial valuation.

Exhibit 6: Pension expense

Components of pension expense	Current	Prior
Reporting date for employer under GASB 68	September 30, 2026	September 30, 2025
Measurement date and reporting date for the plan under GASB 67	September 30, 2025	September 30, 2024
Service cost	$11,054,081	$8,736,819
Interest	41,224,649	37,718,965
Current-period benefit changes	—	—
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	2,070,759	1,883,949
Expensed portion of current-period changes of assumptions	6,309,032	8,330,237
Member contributions	(3,086,000)	(2,854,000)
Projected earnings on pension plan investments	(20,898,378)	(17,995,543)
Expensed portion of current-period differences between actual and projected earnings on pension plan investments	(2,423,726)	(5,727,893)
Administrative expense	157,000	138,000
Other	—	—
Recognition of beginning of year deferred outflows of resources as pension expense	33,905,216	28,125,817
Recognition of beginning of year deferred inflows of resources as pension expense	(17,849,358)	(12,121,467)
Pension expense	$50,463,275	$46,234,884

Exhibit 7: Deferred outflows and inflows of resources

Deferred Outflows and Inflows	Current	Prior
Reporting date for employer under GASB 68	September 30, 2026	September 30, 2025
Measurement date and reporting date for the plan under GASB 67	September 30, 2025	September 30, 2024
Deferred outflows of resources		
Changes of assumptions	$21,224,403	$21,702,019
Net difference between projected and actual earnings on pension plan investments	0	0
Difference between expected and actual experience in the Total Pension Liability	8,456,252	12,009,819
Total deferred outflows of resources	**$29,680,655**	**$33,711,838**
Deferred inflows of resources		
Changes of assumptions	$0	$0
Net difference between projected and actual earnings on pension plan investments	20,031,220	15,071,231
Difference between expected and actual experience in the Total Pension Liability	0	0
Total deferred inflows of resources	**$20,031,220**	**$15,071,231**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting date for employer under GASB 68 year ended September 30:		
2026	N/A	$16,055,858
2027	$23,130,149	17,174,082
2028	(2,905,375)	(8,861,442)
2029	(8,151,615)	(5,727,891)
2030	(2,423,724)	0
2031	0	0
Thereafter	0	0

Note: Average expected remaining service is 3 years as of September 30, 2025 and September 30, 2024.

Exhibit 8: Schedule of recognition of change in total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the
Effects of Differences between Expected and Actual Experience on Total Pension Liability

Reporting Date for Employer under GASB 68 Year Ended September 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	2031	Thereafter
2021	$9,965,234	5.00	$1,993,047	$0	$0	$0	$0	$0	$0	$0
2022	5,071,327	5.00	1,014,265	1,014,265	0	0	0	0	0	0
2023	9,464,327	4.00	2,366,082	2,366,082	0	0	0	0	0	0
2024	9,723,148	4.00	2,430,787	2,430,787	2,430,787	0	0	0	0	0
2025	5,651,847	3.00	1,883,949	1,883,949	1,883,949	0	0	0	0	0
2026	6,212,275	3.00	N/A	2,070,759	2,070,758	2,070,758	0	0	0	0
Total			**N/A**	**$9,765,842**	**$6,385,494**	**$2,070,758**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GASB 68 Year Ended September 30	Assumption Changes	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	2031	Thereafter
2021	$6,108,635	5.00	$1,221,727	$0	$0	$0	$0	$0	$0	$0
2022	11,440,746	5.00	2,288,149	2,288,149	0	0	0	0	0	0
2023	8,804,784	4.00	2,201,196	2,201,196	0	0	0	0	0	0
2024	1,104,396	4.00	276,099	276,099	276,099	0	0	0	0	0
2025	24,990,713	3.00	8,330,237	8,330,238	8,330,238	0	0	0	0	0
2026	18,927,098	3.00	N/A	6,309,032	6,309,033	6,309,033	0	0	0	0
Total			**N/A**	**$19,404,714**	**$14,915,370**	**$6,309,033**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on Pension Plan Investments

Reporting Date for Employer under GASB 68 Year Ended September 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	2031	Thereafter
2021	$6,100,070	5.00	$1,220,014	$0	$0	$0	$0	$0	$0	$0
2022	(44,939,578)	5.00	(8,987,916)	(8,987,916)	0	0	0	0	0	0
2023	65,572,256	5.00	13,114,451	13,114,451	13,114,451	0	0	0	0	0
2024	(15,667,754)	5.00	(3,133,551)	(3,133,551)	(3,133,551)	(3,133,551)	0	0	0	0
2025	(28,639,457)	5.00	(5,727,893)	(5,727,891)	(5,727,891)	(5,727,891)	(5,727,891)	0	0	0
2026	(12,118,622)	5.00	N/A	(2,423,726)	(2,423,724)	(2,423,724)	(2,423,724)	(2,423,724)	0	0
Total			**N/A**	**($7,158,633)**	**$1,829,285**	**($11,285,166)**	**($8,151,615)**	**($2,423,724)**	**$0**	**$0**

Section 5: GASB Information

Total Increase (Decrease) in Pension Expense

Reporting Date for Employer under GASB 68 Year Ended September 30	Total Increase (Decrease) in Pension Expense	2025	2026	2027	2028	2029	2030	2031	Thereafter
2021	$22,173,939	$4,434,788	$0	$0	$0	$0	$0	$0	$0
2022	(28,427,505)	(5,685,502)	(5,685,502)	0	0	0	0	0	0
2023	83,841,367	17,681,729	17,681,729	13,114,451	0	0	0	0	0
2024	(4,840,210)	(426,665)	(426,665)	(426,665)	(3,133,551)	0	0	0	0
2025	2,003,103	4,486,293	4,486,296	4,486,296	(5,727,891)	(5,727,891)	0	0	0
2026	13,020,751	N/A	5,956,065	5,956,067	5,956,067	(2,423,724)	(2,423,724)	0	0
Total		**N/A**	**$22,011,923**	**$23,130,149**	**($2,905,375)**	**($8,151,615)**	**($2,423,724)**	**$0**	**$0**

Exhibit 9: Schedule of reconciliation of Net Pension Liability

Item	Current	Prior
Reporting date for employer under GASB 68	September 30, 2026	September 30, 2025
Measurement date and reporting date for the plan under GASB 67	September 30, 2025	September 30, 2024
Net Pension Liability		
Beginning Net Pension Liability	$314,112,791	$305,751,447
Pension expense	50,463,275	46,234,884
Employer contributions	(21,981,000)	(19,386,000)
New net deferred inflows/outflows	7,064,686	(2,483,190)
Recognition of prior deferred inflows/outflows	(16,055,858)	(16,004,350)
Ending Net Pension Liability	**$333,603,894**	**$314,112,791**

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Actuarial Present Value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than 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, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial present value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions 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.
Actuarial valuation	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, as well as Actuarially Determined Contributions.
Actuarial value of assets	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use 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.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially determined contribution	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization method	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 Unfunded Actuarial Accrued Liability. 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 Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.

Appendix A: Definition of Pension Terms

Term	Definition
Assumptions or actuarial assumptions	The estimates upon which the cost of the Plan is calculated, including: **Investment return** — the rate of investment yield that the Plan will earn over the long-term future; **Mortality rates** — the rate or probability of death at a given age for employees and retirees; **Retirement rates** — the rate or probability of retirement at a given age or service; **Disability rates** — the rate or probability of disability retirement at a given age; **Withdrawal rates** — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; **Salary increase rates** — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer normal cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.

Appendix A: Definition of Pension Terms

Term	Definition
Investment return	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL)	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
Normal cost	The portion of the Actuarial Present Value of Future Benefits and expenses, if applicable, allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of member contributions and employer Normal Cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.
Plan Fiduciary Net Position	Market value of assets.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total Pension Liability (TPL)	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.