

City of Jacksonville Proposal

May 15, 2014 at 4:30 P.M. as clarified on May 21, 2014 at 1:30 P.M.

- The term of the agreement will be October 1, 2014 through September 30, 2024
- The PFPF will transfer the balances in the Enhanced Benefits Account and the City Budget Stabilization Account (currently \$61M total) to the City for the benefit of the Plan.
- During the term of the agreement, the City will contribute at least \$40M annually as additional unfunded liability payments.
- During the term of the agreement, the PFPF will annually contribute the additional half of Chapter Funds not currently going to base benefits (approximately 4% of payroll, or \$5M) as additional unfunded liability payments. **It will continue to contribute the other half of Chapter Funds to base benefits.**
- DROP would earn the actual rate of return, with a floor of 3.9% and a cap of 10%
- COLA would be capped at 2%, with beneficiaries receiving the lesser of 2% or the Social Security COLA. All beneficiaries would start receiving COLA on the third January after retirement **(meaning when they exit DROP or terminate City employment without entering DROP).**
- Parties will agree to the investment authority changes **proposed by the PFPF, with the agreed upon restriction on hedge fund investments**