

CITY OF TAMPA
PENSION FUND FOR
FIREFIGHTERS AND POLICE OFFICERS

SECTION 112.664, FLORIDA STATUTES COMPLIANCE

DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE

August 23, 2024

VIA EMAIL

Ms. Tiffany Weber, Plan Administrator
The City of Tampa Pension Fund for Firefighters and Police Officers
3001 North Boulevard
Tampa, FL 33603

Re: City of Tampa Pension Fund for Firefighters and Police Officers
Section 112.664, Florida Statutes Compliance

Dear Tiffany:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

cc via email: Stu Kaufman, Board Attorney
cc via email: Dana Neves

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the GASB 67/68 results for the Base and DROP accounts only, which is consistent with the development of funding requirements under Florida Statute. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2023 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	8.50%	6.50%
<u>Total Pension Liability</u>		
Service Cost	38,872,718	57,473,814
Interest	134,272,669	128,167,058
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(3,321,490)	(2,023,507)
Changes of Assumptions	-	-
Contributions - Buy Back	1,894,638	1,894,638
Benefit Payments, Including Refunds of Employee Contributions	(100,374,688)	(100,374,688)
Net Change in Total Pension Liability	71,343,847	85,137,315
Total Pension Liability - Beginning	1,590,993,084	1,964,514,418
Total Pension Liability - Ending (a)	<u>\$ 1,662,336,931</u>	<u>\$ 2,049,651,733</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	32,690,154	32,690,154
Contributions - State	10,576,096	10,576,096
Contributions - Employee	24,376,410	24,376,410
Contributions - Buy Back	1,894,638	1,894,638
Net Investment Income	367,404,764	367,404,764
Benefit Payments, Including Refunds of Employee Contributions	(100,374,688)	(100,374,688)
Administrative Expenses	(3,463,215)	(3,463,215)
Net Change in Plan Fiduciary Net Position	333,104,159	333,104,159
Plan Fiduciary Net Position - Beginning	1,153,828,174	1,153,828,174
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,486,932,333</u>	<u>\$ 1,486,932,333</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 175,404,598</u>	<u>\$ 562,719,400</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 8.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2023	1,486,932,333	-	164,954,790	-	119,378,670	1,441,356,213
2024	1,441,356,213	-	114,956,077	-	117,629,645	1,444,029,781
2025	1,444,029,781	-	118,276,028	-	117,715,800	1,443,469,553
2026	1,443,469,553	-	121,994,583	-	117,510,142	1,438,985,112
2027	1,438,985,112	-	125,599,078	-	116,975,774	1,430,361,808
2028	1,430,361,808	-	128,828,752	-	116,105,532	1,417,638,588
2029	1,417,638,588	-	131,710,115	-	114,901,600	1,400,830,073
2030	1,400,830,073	-	134,594,849	-	113,350,275	1,379,585,499
2031	1,379,585,499	-	137,186,353	-	111,434,347	1,353,833,493
2032	1,353,833,493	-	139,436,991	-	109,149,775	1,323,546,277
2033	1,323,546,277	-	141,209,387	-	106,500,035	1,288,836,925
2034	1,288,836,925	-	142,492,725	-	103,495,198	1,249,839,398
2035	1,249,839,398	-	143,415,306	-	100,141,198	1,206,565,290
2036	1,206,565,290	-	143,919,424	-	96,441,474	1,159,087,340
2037	1,159,087,340	-	143,968,297	-	92,403,771	1,107,522,814
2038	1,107,522,814	-	143,594,022	-	88,036,693	1,051,965,485
2039	1,051,965,485	-	142,952,695	-	83,341,577	992,354,367
2040	992,354,367	-	142,023,734	-	78,314,113	928,644,746
2041	928,644,746	-	140,741,318	-	72,953,297	860,856,725
2042	860,856,725	-	139,198,934	-	67,256,867	788,914,658
2043	788,914,658	-	137,405,421	-	61,218,016	712,727,253
2044	712,727,253	-	135,370,169	-	54,828,584	632,185,668
2045	632,185,668	-	133,122,882	-	48,078,059	547,140,845
2046	547,140,845	-	130,718,025	-	40,951,456	457,374,276
2047	457,374,276	-	128,157,167	-	33,430,134	362,647,243
2048	362,647,243	-	125,450,048	-	25,493,389	262,690,584
2049	262,690,584	-	122,602,863	-	17,118,078	157,205,799
2050	157,205,799	-	119,624,295	-	8,278,460	45,859,964
2051	45,859,964	-	116,524,051	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 28.39

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Discount Rate = 6.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2023	1,486,932,333	-	164,954,790	-	91,289,571	1,413,267,114
2024	1,413,267,114	-	114,956,077	-	88,126,290	1,386,437,327
2025	1,386,437,327	-	118,276,028	-	86,274,455	1,354,435,754
2026	1,354,435,754	-	121,994,583	-	84,073,500	1,316,514,671
2027	1,316,514,671	-	125,599,078	-	81,491,484	1,272,407,077
2028	1,272,407,077	-	128,828,752	-	78,519,526	1,222,097,851
2029	1,222,097,851	-	131,710,115	-	75,155,782	1,165,543,518
2030	1,165,543,518	-	134,594,849	-	71,385,996	1,102,334,665
2031	1,102,334,665	-	137,186,353	-	67,193,197	1,032,341,509
2032	1,032,341,509	-	139,436,991	-	62,570,496	955,475,014
2033	955,475,014	-	141,209,387	-	57,516,571	871,782,198
2034	871,782,198	-	142,492,725	-	52,034,829	781,324,302
2035	781,324,302	-	143,415,306	-	46,125,082	684,034,078
2036	684,034,078	-	143,919,424	-	39,784,834	579,899,488
2037	579,899,488	-	143,968,297	-	33,014,497	468,945,688
2038	468,945,688	-	143,594,022	-	25,814,664	351,166,330
2039	351,166,330	-	142,952,695	-	18,179,849	226,393,484
2040	226,393,484	-	142,023,734	-	10,099,805	94,469,555
2041	94,469,555	-	140,741,318	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 18.67

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	8.50%	6.50%
Minimum Required Contribution (Fixed \$)	\$76,947,776	\$127,114,291
Minimum Required Contribution (% of Payroll)	45.02%	74.37%
Expected Member Contribution	28,363,966	49,802,647
Expected State Money	10,576,096	10,576,096
Expected Sponsor Contribution (Fixed \$)	\$38,007,714	\$66,735,548
Expected Sponsor Contribution (% of Payroll)	22.24%	39.04%

ASSETS

Actuarial Value ¹	1,471,725,926	1,471,725,926
Market Value ¹	1,486,932,333	1,486,932,333

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	788,971,618	1,184,761,172
Disability Benefits	81,234,130	109,669,024
Death Benefits	6,343,673	9,150,961
Vested Benefits	183,894	284,777
Refund of Contributions	3,390,341	3,618,961
Service Retirees	791,158,133	955,082,079
DROP Retirees ¹	291,325,351	349,506,739
Beneficiaries	53,315,508	62,290,964
Disability Retirees	86,359,270	103,331,669
Terminated Vested	7,046,256	8,961,039
Total:	2,109,328,174	2,786,657,385
Present Value of Future Salaries	1,511,187,977	1,699,298,742
Total Normal Cost	43,564,774	64,515,214
Present Value of Future		
Normal Costs (Entry Age Normal)	401,874,581	671,975,793
Total Actuarial Accrued Liability (EAN) ¹	1,707,453,593	2,114,681,592
Unfunded Actuarial Accrued	235,727,667	642,955,666
Liability (UAAL)		

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	8.50%	6.50%
<u>PENSION COST</u>		
Normal Cost (with interest)	49,727,416	71,455,881
Administrative Expenses (with interest)	2,517,466	2,488,623
Payment Required To Amortize UAAL (with interest)	<u>24,702,894</u>	<u>53,169,787</u>
Minimum Required Contribution	\$76,947,776	\$127,114,291

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2023.