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City of Margate

Employees Benefit Trust Fund

Actuarial Valuation as of June 1, 2021



April 14, 2022

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE FISCAL YEAR
ENDING MAY 31, 2022



April 14, 2022

Board of Trustees
City of Margate Employees Benefit Trust Fund
Margate, Florida

RE: Actuarial Valuation as of June 1, 2021

Dear Board Members:

We are pleased to present the actuarial valuation as of June 1, 2021 for the City of Margate Employees Benefit Trust Fund (the Plan). This report provides a review of the current funded status of the Plan and establishes the minimum funding requirements for the fiscal year ending May 31, 2022. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

We understand that this valuation is not governed by Part VII, Chapter 112, Florida Statutes. Please notify us as soon as possible if this is not the case.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. We find all inputs and outputs to be reasonable.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

We look forward to the presentation of these results to you in person and we are always available to answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad Little'.

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 20-6619

A handwritten signature in black ink, appearing to read 'Paula C. Freiman'.

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 20-5796

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Section

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Board Summary

Summary of Principal Valuation Results

This report presents the results of the June 1, 2021 actuarial valuation of the City of Margate Employees Benefit Trust Fund in comparison to the results of the June 1, 2018 actuarial valuation, which we understand was the last valuation performed for the Fund.

Minimum Funding Requirements

Fiscal Year Ending May 31,	2019	2021
Minimum Required Employer Contribution	\$28,369	\$46,277

Funded Percentage

Year Beginning June 1,	2018	2021
Present Value of Benefits (PVB)	\$5,296,682	\$6,541,647
Market Value of Assets	<u>5,250,967</u>	<u>6,424,358</u>
Present Value of Benefits - Market Value of Assets	\$45,715	\$117,289
Funded Percentage on PVB Basis	99%	98%

Key Methods and Assumptions

Valuation Date June 1,	2018	2021
Net Assumed Rate of Investment Return:	7.00%	7.00%
Mortality:		
Base Table	Pub-2010	Pub-2010
Mortality Improvement Scale	MP-2017	MP-2017
Fully Generational From	2010	2010
Funding Method:	Aggregate	Aggregate

Summary of Significant Events

Determination of the funded status of the Plan and minimum funding requirements are based on participant data, asset information, Plan provisions, actuarial methods and assumptions. Any significant events associated with these items are discussed in the following.

We understand the last actuarial valuation was performed June 1, 2018. We recommend valuations be performed at least once every two years. We recommend that the Board of Trustees set a funding policy related to contributions that will be made in years when there are no actuarial valuations performed.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the City. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of these data, we found that a group of members is due a deferred benefit under the Plan. Data for all benefits, whether currently in payment status or may become payable in the future, must be provided to determine Plan liabilities under the model. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

Participant Data

We recommend in future years that the data should be provided including all requested a data in a format as outlined in the request for the data. Because this valuation is not performed annually, it is very difficult to compare the data received with prior years.

For all members identified as being in payment status we have assumed that they are due benefits immediately effective June 1, 2021. Except for individuals identified by the City as deferred vested members, we excluded information for any individual provided in the census data not noted as actively employed or in payment status. We also excluded information for any individual noted as deceased.

We recommend that the City review the Summary of Participant Data at the end of this report for consistency with their records regarding members who are or will become eligible for benefits.

Assets

As of June 1, 2007, 96% of the portfolio was invested in stocks with a 15.36% net return achieved for the 12-month period ending May 31, 2007.

As of June 1, 2015, 86% of the portfolio was invested in stocks with a 7.15% net return achieved for the 12-month period ending May 31, 2015.

As of June 1, 2018, 87% of the portfolio was invested in stocks with a 14.24% net return achieved for the 12-month period ending May 31, 2018.

As of June 1, 2021, 88% of the portfolio was invested in stocks with a 39.70% net return achieved for the 12-month period ending May 31, 2021.

We have continued to assume the net return on investments at 7.0%. The 7.0% net assumed return is a prescribed assumption as defined by Actuarial Standard of Practice No. 27 (ASOP 27), as it is set by the Board. The prescribed assumption significantly conflicts with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement as discussed in ASOP 27. As discussed with the Board in prior years, we recommend lowering the net assumed return. Additionally,

because the Plan is closed to new entrants, we recommend the Board consider revising the investment allocation to a higher percentage in less risky investments along with a corresponding revision to the net assumed return assumption. In addition, we recommend that the investment monitor provide information on the geometric net long-term expected return which may be achieved.

Plan Provisions

Although the Plan document provided does not mention this, we understand that anyone hired after October 1, 2010 is not eligible for benefits under the Plan. We also understand that there are no member contributions.

We understand that certain members who terminated employment with at least 10 years of service prior to retirement eligibility have been allowed to come back when they met the retirement age requirement to collect a benefit. In prior valuations we had understood the benefit to only be payable in the event a member retires from active service. Some members currently in payment status (some of which may be dispatchers) are in this category. We understand that these members will remain in payment status and, as directed, we have not segregated the required contribution or liability associated with this Plan change.

We understand that members actively employed as of June 1, 2021 are only eligible for benefits if they retire directly from active service.

Please review the Plan provisions section of this report. If there are benefits payable other than what is stated we must be notified and valuation results may be revised.

Methods

There have been no method changes since the prior valuation.

Assumptions

We recommend the Board of Trustees obtain input from the investment monitor regarding the geometric net long-term rate of return on Plan investments to additionally assess whether the 7.0% net assumed return is reasonable.

Assessment and Disclosure of Risk

As described in Actuarial Standard of Practice No. 51 (ASOP 51), this section is meant to address the assessment and disclosure of risk in a pension funding valuation. This is not meant to be a comprehensive summary but should provide information regarding risks related to this plan. Additional historical information provided in this report also contain relevant information regarding asset size, asset mix, pay increases, benefits and contributions. This information can be used to understand the changes over time to identify trends.

Note that ASOP 51 defines risk as “The potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience....” The following provides examples of potential risk.

Investment Risk: As noted previously, investment returns less than the assumed rate of return result in increased annual minimum required contributions payable in a subsequent year.

Interest Rate Risk: Interest rates are used to discount the value of benefits. If the long-term expectation of returns is higher or lower than the assumed net investment return, the assumed net investment return should be adjusted. When the assumed net investment return is increased the estimated liability is decreased. When the assumed net investment return is decreased the estimated liability is increased.

Longevity and Other Demographic Risks: The estimated liability of the Plan is based on assumptions related to mortality, retirement, disability and termination. To the extent that Plan experience is different than these assumptions the gains and losses affect future required contributions and estimated liability.

Contribution Risk: The possibility that the plan sponsor does not make contributions to the plan according to the funding policy.

Intergenerational equity risk: Intergenerational equity is the concept that resources do not belong to a specific generation and they must be preserved for future generations. One way to alleviate this risk is to pay for benefits over the average future service of the group receiving benefits. Members may feel there are inequities when one is paying more than others, receiving less than others, or paying more than others in relation to what they are receiving.

Plan maturity measures may help understand the risks associated with the plan. As the Plan matures, the ratio of the Market Value of Assets to the Covered Payroll increases. As this ratio gets larger, the impact of asset volatility has a larger effect on the volatility of the Minimum Required Contribution as a percentage of pay. We understand this plan is not funded using a percentage of payroll.

Another measure of a pension plan's maturity is the Ratio of Benefit Payments to Contributions. Over the life of a pension plan, it is expected that the majority of the benefits will be paid for by returns rather than contributions. For this to happen, as a plan matures, the plan will eventually pay out more in benefits than it receives in contributions. It is important to understand the magnitude of this difference so that steps can be taken, if necessary, to manage cash flows going forward. The table below provides the Ratio of Benefit Payments to Contributions. Note that there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending May 31,	Benefit Payments	Contributions	Ratio of Benefit Payments to Contributions
2021	\$293,519	\$28,369	10.3
2018	231,182	72,377	3.2
2015	183,760	324,971	0.6
2007	117,371	283,438	0.4

When looking at Net Cash Flows, it is useful to understand the relative size of the cash flows in comparison to the Market Value of Assets. The following table provides the ratio of the Net Cash Flows divided by the Market Value of Assets. As mentioned previously, there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

Year Ending May 31,	Contributions	Disbursements	Assets	Net Cash Flow Divided by Assets
2021	\$28,369	\$315,565	\$6,424,358	(0.04)
2018	72,377	250,565	5,250,967	(0.03)
2015	324,971	192,132	4,110,692	0.03
2007	283,438	125,224	1,670,935	0.09

Section 2 Results Derivation

In this section, the assets and liabilities of the Plan are shown in detail. Assets and liabilities are then compared to determine the funded status and minimum funding requirements. Finally, analysis is performed to explain movement in results from the prior valuation.

While asset information is based on the fair market value of assets, along with any techniques used to smooth out market fluctuations, liabilities are determined through a combination of the benefit provisions, participant census data which contains information for the members who will receive those benefits, and the methods and assumptions used with regard to how benefits will be paid to members. A summary of participant data, an outline of the benefit provisions, and a description of the methods and assumptions used in this valuation are described in Section 3.

Financial Information

Over the life of the Plan, the majority of assets are typically generated from investment return. In this section, we describe how the assets of the Plan are invested, show how the actuarial value of assets is derived, and review the investment results since the prior valuation.

Investment Allocation

Year Ending	May 31, 2018		May 31, 2021	
Cash & Short Term	\$204,021	4%	\$210,326	3%
Stocks	4,568,344	87%	5,629,807	88%
Fixed Income	0	0%	150,473	2%
ETFs	151,160	3%	307,880	5%
Mutual Funds	160,892	3%	144,942	2%
Alternate Investments	168,913	3%	0	0%
Accounts Payable	<u>(2,363)</u>	<u>0%</u>	<u>(19,070)</u>	<u>0%</u>
Total Assets	\$5,250,967	100%	\$6,424,358	100%

Reconciliation of Market Value of Assets

Year Ending May 31,	2018	2021
1. Value as of Beginning of Year	\$4,763,374	\$4,845,214
2. Contributions	\$72,377	\$28,369
3. Investment Income		
a. Net appreciation*	\$648,977	\$1,855,775
b. Interest and Dividends	84,499	86,028
c. Investment Expenses	<u>(67,695)</u>	<u>(75,463)</u>
d. Net Investment Income	\$665,781	\$1,866,340
4. Deductions		
a. Benefit Payments	\$(231,182)	\$(293,519)
b. Administrative Expenses	<u>(19,383)</u>	<u>(22,046)</u>
c. Total Deductions	\$(250,565)	\$(315,565)
5. Value as of End of Year	\$5,250,967	\$6,424,358
6. Net Return on Investments	14.24%	39.70%

*Net appreciation was not provided split between realized and unrealized gains and losses as of May 31, 2018 or 2021.

Development of Actuarial Value of Assets

The Actuarial Value of Assets is set equal to the Market Value of Assets.

Present Value of Benefits (PVB)

Year Beginning June 1,	2018	2021
1. Active Members		
a. Retirement	\$2,439,034	\$2,759,697
b. Deferred	0	0
c. Survivor	0	0
d. Disability	<u>0</u>	<u>0</u>
e. Total	\$2,439,034	\$2,759,697
2. Inactive Members		
a. In Payment	\$2,779,469	\$3,714,745
b. Deferred Payment	<u>78,179</u>	<u>67,205</u>
c. Total	\$2,857,648	\$3,781,950
3. Present Value of Benefits	\$5,296,682	\$6,541,647

Minimum Funding Requirement

Valuation for Year Beginning June 1, Contribution for Year Ending May 31,	2018 2019	2021 2022
1. Present Value of Benefits		
a. Active Members	\$2,439,034	\$2,759,697
b. Inactive Members	<u>2,857,648</u>	<u>3,781,950</u>
c. Total	\$5,296,682	\$6,541,647
2. Market Value of Assets	\$5,250,967	\$6,424,358
3. Present Value of Benefits Minus Market Value of Assets	\$45,715	\$117,289
4. Present Value of Future Working Lifetime	1,196	978
5. Actives Included in PVFWL	210	189
6. Average PV Future Working Lifetime	5.70	5.17
7. Minimum Required Contribution		
a. Normal Cost = 3. / (4. / 5.)	\$8,027	\$22,666
b. Administrative Expense	19,383	22,046
c. Interest for Periodic Payment	<u>959</u>	<u>1,565</u>
d. Total	\$28,369	\$46,277
8. Net Assumed Investment Return	7.00%	7.00%

Section
3

Supplementary Information

Summary of Participant Data

Member Statistics

Year Beginning June 1,	2018	2021
<u>Active Participants</u>		
Number	243	236
Average Age	49.21	50.79
Average Credited Service	17.40	19.88
Percent Male	77%	78%
<u>Terminated Vested</u>		
Number	10	10
Average Age	51.05	49.49
Percent Male	10%	40%
Average Annual Benefit	\$1,290	\$1,253
<u>Retirements In Payment Status</u>		
Number	174	235
Average Age	67.83	67.80
Percent Male	73%	74%
Average Annual Benefit	\$1,484	\$1,469

Outline of Plan Provisions

Effective Date: July 1, 2000.

Plan Year: From January 1 through December 31.

Covered Person: Eligible Employee who meets Benefit Eligibility Requirements.

Eligible Employee: Persons employed full-time or part-time by the City of Margate on or after July 1, 2000 for whom Contributions have been made to the Fund. Effective October 1, 2010 the plan is closed to new entrants.

Benefit Eligibility Requirements: An Eligible Employee may become entitled to a Benefit on or after the first day of the month following Retirement, provided the Eligible Employee files a Benefit Application, has continuous or continuing health insurance coverage, and timely submits proof thereof annually on an Affidavit of Continued Eligibility form.

Members must have at least 10 Years of Service to be eligible for a Benefit.

Members who become disability retirees under FRS are not eligible for a Benefit.

Termination of Eligibility: Eligibility for a Benefit will terminate on the date the person ceases to be eligible, on the date the person dies, upon termination of the Fund.

Retired or Retirement: Receipt of retirement benefits from the Florida Retirement System (FRS) after the first day of any month following the date an Eligible Employee attains one of the following statuses (as defined in the FRS):

- a. Regular, Senior Management and Elected Officers' Class:
 - (i) Age 62 and at least six years creditable service; or
 - (ii) At least 30 years creditable service (which may include a maximum of 4 years military service credit, as long as such credit is not claimed under any other system), regardless of age.
- b. Special Risk Class:
 - (i) Age 55 and at least six years of creditable service; or
 - (ii) At least 25 years of creditable service, regardless of age; or
 - (iii) Age 52 and at least 25 years of creditable service (which may include a maximum of 4 years of military service credit, as long as such credit is not claimed under any other system).

Benefits are only payable in the event a member retires from active service with the exception of any member in payment status at June 1, 2018 who deferred retirement after termination from employment and for 10 terminated dispatchers identified by the City as of June 1, 2018.

Years of Service: Cumulative full-time years of employment with the City of Margate, including employment during participation in the DROP where required Contributions have been made to the Fund from July 1, 2000. Two years of permanent part-time employment count as one year of full-time employment.

Contributions: Any and all Contributions are non-refundable. If a person makes Contributions to the Fund and does not meet Benefit Eligibility Requirements, all Contributions made to the fund are forfeited. We understand members do not contribute to the fund.

Benefit: A monthly amount of \$50 plus \$3.40 per Year of Service up to 25 years, but not more than 100% of the premium cost for health insurance including Medicare. Benefits are payable annually in January.

Upon meeting Benefit Eligibility Requirements, the Fund will calculate the monthly amount payable from the first of the month following Retirement until December 31 of the year of Retirement. This amount is payable with the first annual payment.

Benefits begin January 1, 2002 with no retroactive payments for the period from July 1, 2000 through December 31, 2001.

Survivor Benefit: A one-time lump sum payment is due immediately upon death to the beneficiary of any Covered Person who has been receiving a Benefit. If no beneficiary is named or if the named beneficiary pre-deceases the Covered Person, no Survivor Benefit is payable.

The Survivor Benefit is equal to the monthly Benefit x 12. This Survivor Benefit will have deducted the remaining prepaid monthly amounts for each month following the date of death.

Description of Assumptions and Methods

Net Assumed Rate of Investment Return: 7.0%, net of investment expenses.

Mortality: Mortality was assumed under amount weighted PubG-2010 for members who are not special risk and under amount weighted PubS-2010 for special risk members using fully generational mortality improvements from 2010 using Scale MP-2017.

Retirement: Rates of retirement are based on the assumptions for Members first eligible for retirement as used in the valuation of the Florida Retirement System as of July 1, 2007. Linear interpolation was used between the rates shown in the following:

Regular Class Retirement Rates						
Age	Male			Female		
	0-9	10-29	>=30*	0-9	10-29	>=30
<=44	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
45	0.00%	6.90%	100.00%	0.00%	6.30%	100.00%
50	0.00%	19.90%	100.00%	0.00%	14.30%	100.00%
55	0.00%	19.50%	100.00%	0.00%	16.30%	100.00%
60	0.00%	26.40%	100.00%	0.00%	26.30%	100.00%
>=65	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

Members in the Regular Class who are part-time are assumed to retire at a rate of 100% at 20 years of service.

Elected Officer Retirement Rates		
Age	Male	Female
<=44	0.0%	0.0%
45	0.0%	3.5%
50	2.0%	3.5%
55	3.5%	4.5%
60	5.1%	6.5%
65	14.9%	12.4%
>=80	100.0%	100.0%

Senior Management Class Retirement Rates						
Age	Male			Female		
	0-9	10-29	>=30	0	10	>=30
<=44	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	5.0%	100.0%	0.0%	3.5%	100.0%
50	0.0%	16.0%	100.0%	0.0%	10.5%	100.0%
55	0.0%	14.5%	100.0%	0.0%	11.5%	100.0%
60	0.0%	20.1%	100.0%	0.0%	20.4%	100.0%
65	0.0%	26.3%	100.0%	0.0%	20.1%	100.0%
>=70	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%

Special Risk Class Retirement Rates

Age	Male			Female		
	0-9	10-24	>=25	0.0%	1000.0%	>=25
<=39	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	2.5%	100.0%	0.0%	2.5%	100.0%
45	0.0%	2.5%	100.0%	0.0%	2.5%	100.0%
50	0.0%	7.5%	100.0%	0.0%	7.0%	100.0%
55	0.0%	7.8%	100.0%	0.0%	7.8%	100.0%
60	0.0%	6.6%	100.0%	0.0%	6.1%	100.0%
>=65	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%

Termination: Rates of termination are based on the assumptions used in the valuation of the Florida Retirement System as of July 1, 2007. Linear interpolation was used between the rates shown in the following:

Regular Class Rates of Termination

Age	Male Rates										
	0	1	2	3	4	5	6	7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	32.8%	31.8%	25.2%	18.4%	15.8%	13.3%	12.4%	11.7%	11.0%	10.5%	10.9%
25	27.2%	23.2%	19.1%	14.6%	12.7%	11.0%	9.4%	8.8%	7.7%	6.6%	6.9%
30	25.8%	19.2%	15.5%	13.2%	11.8%	10.0%	8.6%	7.5%	6.4%	5.8%	5.2%
35	25.8%	17.9%	14.2%	12.6%	10.9%	9.7%	8.3%	7.2%	6.2%	5.6%	4.7%
40	24.4%	15.8%	12.0%	10.7%	9.0%	8.4%	7.5%	6.6%	5.8%	5.5%	3.3%
45	24.4%	15.7%	11.6%	10.3%	8.8%	7.7%	7.2%	6.3%	5.7%	5.4%	3.0%
50	23.4%	15.2%	10.7%	9.4%	7.9%	6.9%	6.1%	5.6%	5.1%	4.8%	3.3%
55	27.4%	18.4%	14.1%	12.4%	9.9%	8.9%	6.4%	5.5%	4.9%	5.0%	5.0%
60	27.4%	18.4%	14.1%	12.3%	9.7%	8.8%	6.3%	5.4%	4.8%	4.9%	5.9%
>=65	27.4%	18.4%	14.1%	12.3%	9.7%	8.8%	6.3%	5.4%	4.8%	4.9%	4.1%

Age	Female Rates										
	0	1	2	3	4	5	6	7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	31.9%	28.6%	23.3%	18.3%	15.4%	15.3%	12.4%	11.9%	11.6%	11.3%	11.6%
25	28.0%	22.0%	18.0%	14.7%	12.9%	12.2%	10.5%	9.7%	8.6%	7.9%	5.3%
30	26.7%	18.8%	15.3%	13.2%	11.3%	10.7%	9.5%	8.5%	7.9%	7.2%	5.4%
35	26.7%	17.7%	14.2%	12.6%	10.9%	10.2%	9.2%	8.2%	7.5%	6.9%	4.6%
40	25.7%	15.5%	12.1%	10.6%	9.1%	8.0%	7.2%	6.6%	6.0%	5.5%	3.3%
45	25.7%	15.4%	11.9%	10.3%	8.8%	7.7%	7.0%	6.4%	5.8%	5.3%	3.0%
50	24.4%	14.8%	11.5%	9.2%	8.4%	7.0%	6.5%	5.8%	5.5%	5.1%	3.2%
55	27.8%	17.6%	13.7%	11.3%	9.7%	8.3%	7.0%	6.3%	6.0%	5.6%	5.4%
60	27.8%	17.6%	13.7%	11.2%	9.6%	8.2%	6.9%	6.2%	5.9%	5.4%	7.2%
>=65	27.8%	17.6%	13.7%	11.2%	9.6%	8.2%	6.9%	6.2%	5.9%	5.4%	4.1%

Linear interpolation was used between the rates shown in the following between 0 and 8 years.

Elected Officer Class Termination Rates

Age	Male				Female			
	0	8	9	>=10	0-7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	8.2%	13.8%	4.8%	5.7%	0.0%	15.0%	3.2%	5.3%
25	8.2%	13.8%	4.8%	5.7%	0.0%	15.0%	3.2%	5.3%
30	8.2%	13.8%	4.8%	5.7%	0.0%	15.0%	3.2%	5.3%
35	8.2%	13.8%	4.8%	5.7%	0.0%	15.0%	3.2%	5.3%
40	8.2%	13.8%	4.8%	5.7%	0.0%	15.0%	3.2%	5.3%
45	8.2%	13.8%	4.8%	5.7%	0.0%	15.0%	3.2%	5.3%
50	8.2%	13.6%	4.6%	5.6%	0.0%	14.9%	3.1%	5.1%
55	8.2%	13.4%	4.4%	5.3%	0.0%	14.6%	2.8%	4.9%
60	8.2%	13.3%	4.3%	5.2%	0.0%	14.5%	2.7%	4.8%
>=65	8.2%	11.5%	2.5%	3.5%	0.0%	12.8%	1.0%	3.0%

Senior Management Class Rates of Termination

Age	Male Rates										
	0	1	2	3	4	5	6	7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	24.3%	27.9%	24.9%	19.5%	15.5%	9.1%	8.2%	7.5%	6.8%	5.5%	4.8%
25	24.3%	23.3%	21.4%	18.5%	14.9%	8.8%	7.9%	7.3%	6.8%	5.5%	4.8%
30	24.3%	20.7%	19.3%	17.7%	14.5%	8.4%	7.5%	6.9%	6.5%	5.3%	4.1%
35	24.3%	19.4%	18.0%	17.1%	13.6%	8.0%	7.2%	6.6%	6.3%	5.1%	3.6%
40	24.3%	18.9%	17.2%	16.7%	12.9%	7.8%	6.9%	6.3%	6.1%	4.9%	3.2%
45	24.3%	18.8%	16.9%	16.4%	12.6%	7.1%	6.7%	6.1%	5.9%	4.8%	2.9%
50	24.3%	18.8%	16.8%	16.2%	12.4%	6.9%	6.5%	5.9%	5.8%	4.6%	3.0%
55	24.3%	18.8%	16.8%	16.0%	12.3%	6.7%	6.3%	5.8%	5.7%	4.5%	3.6%
60	24.3%	18.8%	16.8%	16.0%	12.2%	6.7%	6.3%	5.7%	5.6%	4.4%	4.4%
>=65	24.3%	18.8%	16.8%	16.0%	12.2%	6.6%	6.2%	5.7%	5.6%	4.4%	2.6%

Age	Female Rates										
	0	1	2	3	4	5	6	7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	24.3%	25.8%	22.8%	17.3%	12.2%	10.1%	8.8%	8.2%	7.5%	6.3%	4.8%
25	24.3%	21.7%	20.0%	16.4%	11.7%	9.4%	8.5%	8.1%	7.4%	6.3%	4.9%
30	24.3%	19.6%	18.3%	15.7%	11.2%	8.8%	8.1%	7.7%	7.0%	5.8%	3.9%
35	24.3%	18.5%	17.3%	15.2%	10.8%	8.2%	7.8%	7.3%	6.6%	5.5%	3.2%
40	24.3%	18.1%	16.7%	14.7%	10.5%	7.8%	7.5%	7.1%	6.4%	5.2%	2.7%
45	24.3%	18.0%	16.5%	14.5%	10.3%	7.5%	7.3%	6.9%	6.1%	4.9%	2.4%
50	24.3%	18.0%	16.4%	14.3%	10.1%	7.3%	7.1%	6.7%	5.9%	4.7%	2.5%
55	24.3%	18.0%	16.4%	14.2%	10.0%	7.2%	6.9%	6.6%	5.8%	4.5%	3.3%
60	24.3%	18.0%	16.4%	14.1%	9.9%	7.1%	6.8%	6.5%	5.7%	4.3%	5.1%
>=65	24.3%	18.0%	16.4%	14.1%	9.8%	7.1%	6.8%	6.5%	5.6%	4.3%	1.9%



Special Risk Class Rates of Termination

Male Rates											
Age	0	1	2	3	4	5	6	7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	19.4%	12.9%	10.7%	9.2%	7.9%	6.0%	5.5%	4.5%	3.9%	3.8%	2.9%
25	18.7%	12.3%	10.1%	8.6%	7.4%	6.0%	5.5%	4.5%	3.9%	3.8%	2.9%
30	18.7%	11.8%	9.7%	8.2%	7.1%	6.0%	5.5%	4.5%	3.9%	3.8%	2.7%
35	18.7%	11.5%	9.3%	7.9%	6.8%	6.0%	5.3%	4.5%	3.9%	3.8%	2.4%
40	18.7%	11.2%	9.1%	7.4%	6.7%	6.0%	5.0%	4.5%	3.9%	3.8%	2.3%
45	18.7%	11.1%	8.9%	7.3%	6.5%	6.0%	5.0%	4.5%	3.9%	3.8%	2.4%
50	18.7%	11.0%	8.8%	7.2%	6.5%	6.0%	5.0%	4.5%	3.9%	3.8%	2.7%
55	18.7%	11.0%	8.8%	7.2%	6.5%	6.0%	5.0%	4.5%	3.9%	3.8%	6.2%
60	18.7%	11.0%	8.8%	7.2%	6.5%	6.0%	5.0%	4.5%	3.9%	3.8%	6.2%
>=65	18.7%	11.0%	8.8%	7.2%	6.5%	6.0%	5.0%	4.5%	3.9%	3.8%	6.2%

Female Rates											
Age	0	1	2	3	4	5	6	7	8	9	>=10
<=19	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	21.3%	15.5%	12.3%	10.3%	9.7%	6.9%	6.6%	5.5%	4.7%	4.8%	2.4%
25	21.3%	14.2%	11.7%	9.8%	9.2%	6.9%	6.6%	5.5%	4.7%	4.8%	2.4%
30	21.3%	13.2%	11.2%	9.3%	8.7%	6.9%	6.6%	5.5%	4.7%	4.7%	2.1%
35	21.3%	12.6%	10.9%	9.0%	8.4%	6.9%	6.6%	5.5%	4.6%	4.7%	1.8%
40	21.3%	12.2%	10.7%	8.7%	8.0%	6.9%	6.6%	5.5%	4.6%	4.7%	3.1%
45	21.3%	12.0%	10.5%	8.5%	7.8%	6.9%	6.6%	5.5%	4.6%	4.6%	3.1%
50	21.3%	11.9%	10.4%	8.4%	7.7%	6.9%	6.6%	5.5%	4.5%	4.6%	2.0%
55	21.3%	11.9%	10.4%	8.4%	7.7%	6.9%	6.6%	5.5%	4.5%	4.5%	5.0%
60	21.3%	11.9%	10.4%	8.4%	7.7%	6.9%	6.6%	5.5%	4.5%	4.5%	5.0%
>=65	21.3%	11.9%	10.4%	8.4%	7.7%	6.9%	6.6%	5.5%	4.5%	4.5%	5.0%

Disability: Rates of disability are based on the sum of line-of-duty and non-duty disability assumptions used in the valuation of the Florida Retirement System as of July 1, 2007. Linear interpolation was used between the rates shown in the following:

Rates of Disability						
Age	Regular		EO and Senior Mgmt		Special Risk	
	Male	Female	Male	Female	Male	Female
<=19	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
20	0.004%	0.001%	0.005%	0.003%	0.049%	0.044%
25	0.034%	0.011%	0.005%	0.003%	0.049%	0.044%
30	0.064%	0.028%	0.029%	0.019%	0.060%	0.062%
35	0.083%	0.056%	0.041%	0.034%	0.084%	0.112%
40	0.120%	0.085%	0.062%	0.053%	0.138%	0.186%
45	0.217%	0.181%	0.127%	0.105%	0.227%	0.365%
50	0.357%	0.307%	0.215%	0.190%	0.430%	0.471%
55	0.592%	0.513%	0.372%	0.331%	0.661%	0.722%
60	0.782%	0.648%	0.554%	0.408%	0.929%	0.882%
>=65	0.338%	0.194%	0.236%	0.133%	0.929%	0.523%

Marital Assumption: 80% of Members are assumed married. Husbands are assumed to be 3 years older than wives.

Administrative Expenses: Prior year's actual expenses added to Normal Cost.

Funding Method: Aggregate funding method on a level dollar basis.

Glossary of Actuarial Terms

Present Value of Benefits (PVB): The present value, as of the valuation date, of all benefits that will become payable by the Plan for the current group of members in the census.

Actuarial Value of Assets: The value of assets used in the actuarial valuation of the Plan which is compared to the AL to determine the UAL and minimum funding requirements. A method may be used to smooth out short term volatility in the fair market value of assets.

Normal Cost (NC): Under the Level Dollar Aggregate Cost Method, the excess of the Present Value of Benefits over the Actuarial Value of Assets is allocated on a level basis over the service of the group between the valuation date and assumed exit. This allocation is performed for the group as a whole, not as a sum of individual allocations. That portion of the actuarial present value allocated to a valuation year is called the Normal Cost.

Accrued Liability (AL): Under the Level Dollar Aggregate Cost Method, the Accrued Liability is equal to the Actuarial Value of Assets.

Unfunded Accrued Liability (UAL): Any excess of the Accrued Liability over the Actuarial Value of Assets. Under the Level Dollar Aggregate Cost Method, the UAL is zero.