

CITY OF TAMPA
PENSION FUND FOR
FIREFIGHTERS AND POLICE OFFICERS

SECTION 112.664, FLORIDA STATUTES COMPLIANCE

DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE

August 4, 2023

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, 2022 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, 2022 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, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	8.50%	6.50%
<u>Total Pension Liability</u>		
Service Cost	37,586,004	55,643,526
Interest	127,997,014	122,346,102
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,284,376	4,056,126
Changes of Assumptions	-	-
Contributions - Buy Back	3,088,695	3,088,695
Benefit Payments, Including Refunds of Employee Contributions	(94,448,454)	(94,448,454)
Net Change in Total Pension Liability	75,507,635	90,685,995
Total Pension Liability - Beginning	1,515,485,449	1,873,828,423
Total Pension Liability - Ending (a)	<u>\$ 1,590,993,084</u>	<u>\$ 1,964,514,418</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	28,053,252	28,053,252
Contributions - State	8,208,255	8,208,255
Contributions - Employee	20,935,263	20,935,263
Contributions - Buy Back	3,088,695	3,088,695
Net Investment Income	(215,734,299)	(215,734,299)
Benefit Payments, Including Refunds of Employee Contributions	(94,448,454)	(94,448,454)
Administrative Expenses	(1,882,418)	(1,882,418)
Other	-	-
Net Change in Plan Fiduciary Net Position	(251,779,706)	(251,779,706)
Plan Fiduciary Net Position - Beginning	1,405,607,880	1,405,607,880
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,153,828,174</u>	<u>\$ 1,153,828,174</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 437,164,910</u>	<u>\$ 810,686,244</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
2022	1,153,828,174	-	147,388,579	-	91,811,380	1,098,250,975
2023	1,098,250,975	-	108,117,600	-	88,756,335	1,078,889,710
2024	1,078,889,710	-	111,649,765	-	86,960,510	1,054,200,455
2025	1,054,200,455	-	115,172,296	-	84,712,216	1,023,740,375
2026	1,023,740,375	-	118,812,071	-	81,968,419	986,896,723
2027	986,896,723	-	122,228,174	-	78,691,524	943,360,073
2028	943,360,073	-	125,174,247	-	74,865,701	893,051,527
2029	893,051,527	-	127,667,956	-	70,483,492	835,867,063
2030	835,867,063	-	130,010,458	-	65,523,256	771,379,861
2031	771,379,861	-	131,993,736	-	59,957,554	699,343,679
2032	699,343,679	-	133,574,943	-	53,767,278	619,536,014
2033	619,536,014	-	134,737,572	-	46,934,214	531,732,656
2034	531,732,656	-	135,492,960	-	39,438,825	435,678,521
2035	435,678,521	-	135,922,839	-	31,255,954	331,011,636
2036	331,011,636	-	136,003,867	-	22,355,825	217,363,594
2037	217,363,594	-	135,671,043	-	12,709,886	94,402,437
2038	94,402,437	-	134,986,199	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 16.70

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
2022	1,153,828,174	-	147,388,579	-	70,208,702	1,076,648,297
2023	1,076,648,297	-	108,117,600	-	66,468,317	1,034,999,014
2024	1,034,999,014	-	111,649,765	-	63,646,319	986,995,568
2025	986,995,568	-	115,172,296	-	60,411,612	932,234,884
2026	932,234,884	-	118,812,071	-	56,733,875	870,156,688
2027	870,156,688	-	122,228,174	-	52,587,769	800,516,283
2028	800,516,283	-	125,174,247	-	47,965,395	723,307,431
2029	723,307,431	-	127,667,956	-	42,865,774	638,505,249
2030	638,505,249	-	130,010,458	-	37,277,501	545,772,292
2031	545,772,292	-	131,993,736	-	31,185,403	444,963,959
2032	444,963,959	-	133,574,943	-	24,581,472	335,970,488
2033	335,970,488	-	134,737,572	-	17,459,111	218,692,027
2034	218,692,027	-	135,492,960	-	9,811,461	93,010,528
2035	93,010,528	-	135,922,839	-	-	-

*All DROP Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 13.68

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, 2024

Valuation Date: 10/1/2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	8.50%	6.50%
Minimum Required Contribution (Fixed \$)	\$73,985,124	\$121,169,725
Minimum Required Contribution (% of Payroll)	49.17%	80.53%
Expected Member Contribution	28,109,773	48,274,132
Expected State Money	8,208,255	8,208,255
Expected Sponsor Contribution (Fixed \$)	\$37,667,096	\$64,687,338
Expected Sponsor Contribution (% of Payroll)	25.04%	43.00%

ASSETS

Actuarial Value ¹	1,384,593,809	1,384,593,809
Market Value ¹	1,153,828,174	1,153,828,174

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	708,170,966	1,053,467,932
Disability Benefits	71,214,120	97,010,932
Death Benefits	5,590,997	8,036,002
Vested Benefits	2,519,947	2,747,781
Service Retirees	758,012,906	915,406,506
DROP Retirees ¹	234,940,404	281,357,204
Beneficiaries	51,839,994	60,569,668
Disability Retirees	86,817,294	104,204,418
Terminated Vested	4,094,987	5,330,083
Excess State Monies Reserve	0	0
Total:	<u>1,923,201,615</u>	<u>2,528,130,526</u>
Present Value of Future Salaries	1,289,638,326	1,447,145,698
Total Normal Cost	38,872,718	57,473,814
Present Value of Future		
Normal Costs (Entry Age Normal)	345,162,944	575,409,247
Total Actuarial Accrued Liability (EAN) ¹	1,578,038,671	1,952,721,279
Unfunded Actuarial Accrued Liability (UAAL)	193,444,862	568,127,470

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	8.50%	6.50%
<u>PENSION COST</u>		
Normal Cost (with interest)	44,371,625	63,656,954
Administrative Expenses (with interest)	2,216,266	2,190,874
Payment Required To Amortize UAAL (with interest)	27,397,233	55,321,897
Minimum Required Contribution	\$73,985,124	\$121,169,725

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2022.