

**PENSION BOARD POLICIES  
FIREFIGHTERS & POLICE OFFICERS  
PENSION FUND OF THE CITY OF TAMPA**

**POLICY:**

1. Investment of Pension Fund assets are made without consideration of whether such assets for actuarial or accounting purposes are considered as Base Account assets, Post Retirement Adjustment Account assets, or DROP account(s) assets.
2. Allocation of Negative Asset Returns -- When the size of the Fund (excluding the 13th check account and DROP accounts) determined on a market value basis, is less than 0% for any year ending on September 30th when compared to the market value of Fund (excluding the 13th check account and DROP accounts) on the previous September 30th, the investment loss shall be applied proportionately between the Base Account and the Post Retirement Adjustment Account based on the relative size of each of said accounts to their combined total.
3. The *Coniglio* Stipulation and Agreement with Respect to Section 23(1) requires the Base Account (f/k/a the Main Fund) to overcome or make up any years in which the Pension Fund did not earn 5% before any additional monies are credited to the Post Retirement Adjustment Account. In other words, no additional monies are credited to the Post Retirement Adjustment Account until all years in which the Base Account was not credited with the 5% earnings are overcome by subsequent earnings. This maintains the actuarial soundness of the Base Account.
4. Amount of Make-Up -- When the size of the Base Account on September 30th determined on a market value basis is less than the size of the Base Account on the preceding September 30th plus that amount had the Base Account been credited with 5% investment earnings of the Pension Fund (excluding the 13th Check Account and DROP accounts), the make-up shall be the difference between the size of the Base Account on the preceding September 30th plus the amount that would have been credited to the Base Account had the Pension Fund (excluding the 13th Check Account and DROP accounts) earned said 5% and the market value of assets actually in the Base Account on September 30th. This paragraph applies when there is a positive investment return less than 5% or when there is a negative investment return.
5. Recognition of Make-Up -- When the Pension Fund earns less than the assumed investment yield of 5% (i.e., either a positive investment return less than 5% or a negative investment return), subsequent positive earnings shall first be used to make up prior years when the Base Account suffered a market value loss and/or was not credited with the 5% investment earnings of the Pension Fund (excluding the 13th Check Account and DROP accounts), beginning with the earliest year first, before any more monies are credited to the Post Retirement Adjustment Account.
6. Any changes to this policy shall be agreed upon by the Accountant, Actuary, Administrator, and Attorney prior to approval by the Board of Trustees.

Policy Number: 713
Policy: Treatment of Investment Returns of Less Than 5% Including Market Losses
Eff. Date: 08/26/04 12/16/15
Ref: Pension contract, board minutes, <i>Coniglio</i> stipulation, Mellon letter dated 4/15/2004