

January 15, 2016

Board of Trustees
Jacksonville Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, Florida 32202-3616

Senior Staff Voluntary Retirement Plan

Gentlemen:

The following exhibits show the results of our current actuarial valuation of the Senior Staff Voluntary Retirement Plan.

As shown on Exhibit A, the Plan has an unfunded liability of \$403,827. Exhibit B shows the assets attributable to this Plan.

Exhibit C outlines the Plan provisions as of October 1, 2015. There were no Plan changes since the last valuation. All Plan participants are now retired and in payment status.

The assumptions used for this valuation are shown on Exhibit D. Changes since the last valuation are as follows:

1. The mortality is assumed to follow RP-2014 Blue Collar, age set forward 2 years for males and 1 year for females, with MP-2014 Improvement Scale, generational, sex distinct.

If you should have any questions and/or comments, please do not hesitate to call. Best regards.

Cordially yours,

Jarmon Welch, A.S.A.
President

Attachments

cc: Ms. Beth McCague
Ms. Kelly Shelton

**Senior Staff Voluntary Retirement Plan
as of Octboer 1, 2015**

Derivation of Normal Actuarial Cost as of October 1, 2015

1. Present Value of Future Benefits Three Participants	\$4,406,121
2. Assets at Market Value	\$4,002,294
3. Excess Assets at Market Value	(\$403,827)

NOTE:

The experience loss due to actual earnings of -3.95% was \$461,789.
Excess assets of \$120,437 as of 9/30/14 used to offset experience loss.
Changes in the mortality assumption increased liabilities by \$153,704.

**Senior Staff Voluntary Retirement Plan
as of October 1, 2015**

Change in Market Value of Assets

Plan Year
10/1/14 - 9/30/15

(1) Asset Value, BOY	\$4,257,077
(2) Contributions	\$21,520
(3) Benefit Payments	\$109,482
(4) Fund Net Investment Yield	-3.95%
(5) Income	(\$166,821)
(6) Asset Value, EOY	\$4,002,294

**Senior Staff Voluntary Retirement Plan
as of October 1, 2015**

Plan Provisions

1.	Normal Retirement	Age 65 with 5 years of service.
2.	Early Retirement	Age 60 with 5 years of service. Benefits reduced 0.5% per month before age 65.
3.	Pre-retirement withdrawal benefit	Employee contributions without interest and money purchase funds transferred.
4.	Vesting	After completion of five years service.
5.	Service	From date of employment to retirement.
6.	Final Average Earnings	Average of last 24 months.
7.	Benefit Percentage	3.0% for each year of service.
8.	Pre-Retirement Spouse's Death Benefit*	49.5% of final average earnings payable for life.
9.	Post-Retirement Spouse's Death Benefit	75% of retiree benefit for life.
10.	Cost of Living Increases	3% per year.
11.	Disability Benefit*	60% of final average earnings payable for life.
12.	Employee Contributions	7.0% of covered payroll
13.	Health Insurance Subsidy	Upon retirement, \$5 per month for each year of actual credited service (max \$150 per month).

* Provided in lieu of 3 above.

**Senior Staff Voluntary Retirement Plan
as of October 1, 2015**

Actuarial Assumptions

Mortality: Postretirement: RP-2014 Blue Collar Annuitant Mortality Table
Post Disability: RP-2014 Disabled Annuitant Mortality Table

All Tables are set forward 2 years for males and 1 year for females, use MP-2014 Improvement Scale, 2D generational, separate by sex.

Investment Yield: 7.00% compounded annually.

Salary Scale: None.

COLA: 3.0% compounded annually.

Percent Married: 100%.

Retirement Ages: The active employee is assumed to retire immediately.

Age Differences for Spouses of Employed: Females are 3 years younger than males.

Changes Since the October 1, 2014 Valuation:

1. The mortality assumption has been updated.

**Senior Staff Voluntary Retirement Plan
as of October 1, 2015**

GASB Statements 67 and 68

Net Pension Liability of the City of Jacksonville as of September 30, 2015

Total pension liability	\$4,406,121
Plan fiduciary net position	\$4,002,294
City's net pension liability	\$403,827
Plan fiduciary net position as a percentage of the total pension liability	90.83%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City of Jacksonville, calculated using the discount rate of 7.0%, as well as what the City of Jacksonville's net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	1% Decrease <u>(6%)</u>	Current Discount <u>(7%)</u>	1% Increase <u>(8%)</u>
City of Jacksonville's net pension liability	\$881,372	\$403,827	\$1,775

Changes

1. Mortality is assumed to follow RP-2014 Blue Collar, age set forward 2 years for males and 1 year for females, with MP-2014 Improvement Scale, generational, sex distinct.

**Senior Staff Voluntary Retirement Plan
as of October 1, 2015**

Exhibit F

Schedule of Changes in Net Pension Liability and Related Ratios

	2015	2014	2013	2012	2011
Total pension liability					
Service Cost (BOY)	(\$56,578)	PRIOR INFORMATION NOT AVAILABLE			
Interest	\$281,837				
Changes of benefit terms	\$0				
Experience deviations including buybacks	\$0				
Changes of assumptions	\$153,704				
Benefit payments, including refunds of member contributions	(\$109,482)				
Increase due to DROPS	\$0				
Net change in total pension liability	\$269,481				
Total pension liability -- beginning	\$4,136,640				
Total pension liability -- ending(a)	\$4,406,121	\$4,136,640			
Plan fiduciary net position					
Contributions--employer	\$0				
Contributions--member	\$21,520				
Buybacks--employer	\$0				
Buybacks--member	\$0				
Net investment income	(\$166,821)				
Benefit payments, including refunds of member contributions	(\$109,482)				
Administrative expense	\$0				
State Insurance	\$0				
Court Fines	\$0				
Other	\$0				
Net change in plan fiduciary net position	(\$254,783)				
Plan fiduciary net position -- beginning	\$4,257,077				
Plan fiduciary net position -- ending(b)	\$4,002,294				
 Plan Net Pension Liability -- ending(a)-(b)	 \$403,827				
 Plan fiduciary net position as a percentage of the total pension liability	 90.83%				
 Covered-employee payroll	 \$0				
City's pension liability as a percentage of covered-employee payroll	NA				

**Senior Staff Voluntary Retirement Plan
as of October 1, 2015**

Pension Expense

Measurement Date	9/30/2015
Service Cost (BOY)	(\$56,578)
Employee Contributions	\$21,520
7% Interest on Accrued Liability plus Service Cost	\$281,837
Expected 7% Interest on Assets	(\$294,968)
Non Investment Expense	\$0
Current period recognition of deferred outflow/(inflows)	
Change of benefit terms	\$0
Non-investment actuarial experience	\$0
Actual investment experience	\$68,270
Assumption changes	<u>\$153,704</u>
TOTAL	\$173,785

Future fiscal years outflows(inflows) to be recognized

	Actual Investment <u>Experience</u>
2016	\$68,270
2017	\$68,270
2018	\$68,270
2019	<u>\$68,272</u>
	\$273,082