

PENSION BOARD CONSULTANTS, INC.  
CONSULTING, ACTUARIAL & ADMINISTRATIVE SERVICES

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October 10, 2014

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

Annual Retiree Pension Bonus

Gentlemen:

In accordance with Section VIII, Paragraph 19 of the Restated Agreement between the City of Jacksonville and the Jacksonville Police and Fire Pension Fund, this letter provides certification of the following enhancement:

According to the Restated Agreement, the Board of Trustees may authorize a one-time bonus payment of the annual pension base times a maximum of 3% for retired Police Officers, Firefighters and their surviving spouses. DROP participants are not eligible for this enhancement. It is our understanding that the payment is prorated based on the number of months retired during the period October 1, 2013 to September 30, 2014.

The results are based on data provided by the Fund Administration for 2,204 eligible members. We have not included DROP members, vested terminations, children receiving survivor benefits or Atlantic Beach retirees.

The cost of the usual 3% retiree bonus is approximately \$2,174,499. A comparison of alternate payment options are shown as follows:

<u>One time bonus based on Pension Base</u>	<u>Approximate Cost</u>	<u>Level Dollar Amount Per Member</u>
3% bonus	\$2,174,499	\$987
2% bonus	\$1,449,666	\$658
1% bonus	\$724,833	\$329

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The Enhanced Benefit Account has sufficient funds available for this purpose, and hence the Post Retirement Enhancement in the nature of a discretionary annual retiree bonus payment is affordable without increasing the Member Contribution Rate, the City Contribution Rate, or the Level of Base Benefits.

Please let us know if you have any questions or comments.

Cordially yours,

A handwritten signature in cursive script that reads "Jarmon Welch".

Jarmon Welch, A.S.A.  
President

cc: Mr. John Keane  
Ms. Kelly Shelton