

**CITY OF BOCA RATON  
POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

**SUMMARY PLAN DESCRIPTION  
For Police Officer Members**

Dated June 24, 2021  
Amended August 26, 2021  
*Revised June 1, 2023*

# TABLE OF CONTENTS

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|   |    |
|---|----|
| Introduction .....  | 2  |
| Administration .....  | 3  |
| Glossary of Terms .....                                     | 4  |
| Eligibility and Enrollment .....                            | 6  |
| Contributions and Funding .....                             | 6  |
| Purchase of Prior Service – Buy Backs .....                 | 7  |
| Eligibility for Retirement Benefits .....                   | 8  |
| Normal Retirement Benefits .....                            | 8  |
| Early Retirement Benefits .....                             | 9  |
| Benefit Payment Options .....                               | 10 |
| Deferred Vested Benefit .....                               | 10 |
| Eligibility for Disability Benefits .....                   | 11 |
| Disability Benefits .....                                   | 11 |
| Pre-Retirement Death Benefits .....                         | 12 |
| Post Retirement Death Benefits .....                        | 13 |
| Annual Increases (i.e. Cost-of-Living-Adjustments) .....    | 13 |
| Deferred Retirement Option Plan (DROP) .....                | 14 |
| Retirement Supplement .....                                 | 15 |
| Non-Vested Benefits .....                                   | 15 |
| Failure to Sign Waiver .....                                | 16 |
| Claims by Participants and Beneficiaries .....              | 16 |
| Plan Amendments or Termination .....                        | 17 |
| Forfeiture of Pension for Specified Criminal Offenses ..... | 17 |
| Participant Data .....                                      | 17 |
| Financial Information and Actuarial Report .....            | 17 |

## INTRODUCTION

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The City of Boca Raton (City) has established and maintains the City of Boca Raton Police and Firefighters' Retirement System (Plan). The Plan is a defined benefit plan, and is a qualified plan within the meaning of Section 401(a) of the Internal Revenue Code. Because the Plan is tax-qualified, generally neither you nor the Plan will pay any income tax on the contributions that you and the City make to the Plan on your behalf. Instead, you will be taxed when you begin receiving benefits under the Plan, at which time you may be in a lower tax bracket than during your peak working years. Because the Plan is a defined benefit plan, the amount of your monthly benefit depends upon factors such as your compensation level, your years of service, and the form in which your benefits are paid.

The Plan is governed by Sections 12-126 through 12-159 of the City Code of Ordinances and by Chapter 175, Chapter 185, and Part VII of Chapter 112 of the Florida Statutes. The City and the labor organizations representing firefighters and police officers of the City of Boca Raton, have mutually agreed that all premium tax revenues received pursuant to Chapters 175 and 185 Florida Statutes, shall continue to be used to reduce the City's pension contribution.

Article 34 of the City's three-year collective bargaining agreement with the Fraternal Order of Police Lodge 35 effective through September 30, 2023 provides for the pension plan as described in the Plan Ordinance. Copies of these documents are available upon request.

The Plan is designed to provide a measure of economic security for retirement beyond that provided by Social Security and your own personal savings. Of course, you are encouraged to establish and consistently maintain your own retirement savings program and not rely solely on Social Security and employer provided retirement benefits. To assist in your personal savings, you may wish to take advantage of deferred compensation plans sponsored by the City.

This booklet is called a Summary Plan Description. It presents the basic elements of the Plan to you and answers frequently asked questions about the Plan. If you have questions, if you want to verify your understanding of how the Plan's provisions apply to you, if you want to confirm your understanding of the Summary Plan Description, or if you want to determine if the Plan has been amended, please contact the Pension Office.

Please keep in mind that this Summary Plan Description is a summary only. It does not contain every detail addressed in the Plan. The entirety of the Plan is set forth in Sections 12-126 through 12-159 of the City of Boca Raton Code of Ordinances. If there is any inconsistency between the Plan Ordinance (or other legal documents under which your participation and benefit rights are determined) and this Summary Plan Description, the City Ordinance (and legal documents if any) will control. You, your beneficiaries and your personal representatives may examine the Plan and other applicable legal documents in the Pension Office by appointment during regular business hours.

This Summary Plan Description may be changed from time to time. Please be certain that you have the most recent version of the booklet and all amendments thereto called "Material Modifications." The Pension Office can verify this for you upon request.

## **ADMINISTRATION**

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The general administration and responsibility for the proper operation of the plan is placed with the Board of Trustees (Board). The powers of the Board include the interpretation of plan provisions on a uniform and nondiscriminatory basis and establishing uniform rules and procedures. The Board is also responsible for investing the Plan's assets and hiring the Plan's service providers.

The Board consists of eight trustees, each serving a term of two years. Four of the trustees are Plan members who are elected by the other members of the Plan. The other four trustees are appointed by the City Council. All correspondence should be sent to the Trustees in care of the pension office address listed under the Pension Administration section below.

### **Elected Trustees**

Jeff Ross (Chairman)  
Firefighter Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

Darryl M. Kingman (Vice-Chairman)  
Police Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

Francisco Ramirez  
Firefighter Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

Matthew White  
Police Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

### **Appointed Trustees**

Andre McAden  
Appointed Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

John D. Girard (Secretary)  
Appointed Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

Paul M. Lawless  
Appointed Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

Russell F. Chisholm  
Appointed Trustee  
Pension Administration  
201 W. Palmetto Park Road  
Boca Raton, FL 33432

### **Pension Administration**

The Board of Trustees has entered into a Third-Party Administrative Services Agreement with the City of Boca Raton effective February 15, 2015.

The Pension Office is located at 201 W. Palmetto Park Rd., Suite 230 Boca Raton, FL 33432  
Telephone: 561-544-8520, Fax: 561-347-5175.

Leslie Harmon  
Lenworth Codner  
Eshmé Potts  
Kristen Brandt

Pension Manager  
Pension Accountant  
Pension Benefits  
Pension Assistant

lharmon@myboca.us  
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Legal process with respect to the Plan must be served on the Chairman of the Board at the Pension Office. Robert Sugarman serves as legal advisor to the Plan and may be contacted at Sugarman & Susskind, 100 Miracle Mile, Suite 300, Coral Gables, FL 33134. Brad Heinrichs serves as the Plan Actuary and may be contacted at Foster and Foster, 13420 Parker Commons Blvd. Suite 104, Fort Myers, FL 33912.

Plan records are maintained on a 12-month fiscal period known as the Plan Year. The Plan Year begins on October 1 and ends on September 30. Information and resources are also available at the City's website for the Plan: <http://www.ci.boca-raton.fl.us/pages/pension/police-firefighters-retirement-system>.

## **GLOSSARY OF TERMS**

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**Actuarial Equivalent** - means that any benefit payable under the terms of this retirement system in a form other than the normal form of benefit, shall have the same actuarial present value on the date payment commences as the normal form of benefit and shall reflect applicable cost of living increases and annual increases. For the purpose of establishing the actuarial present value of any form of payment, all future payments shall reflect applicable cost of living increases and annual increases, and shall be discounted for interest and mortality by using the interest rate and the annuity mortality table provided in Internal Revenue Service rules. For the purposes of a lump sum distribution, the actuarial present value is determined on the basis of the same annuity mortality table as described above and the 30-year treasury security interest rate for the month prior to the member's date of termination. Actuarial equivalence is computed by the Plan's actuary in accordance with the terms of the retirement system.

**Average Monthly Earnings** - means, except as otherwise provided below, 1/12 of the arithmetic average of annual earnings for the highest 2 years preceding the actual retirement or termination date of a member, or the date the member begins participation in the deferred retirement option plan, whichever is earlier. Effective April 14, 2015 average monthly earnings, for police officers who did not attain the normal retirement age prior to April 14, 2015, shall mean 1/12 of the arithmetic average of annual earnings for the 3 consecutive years immediately preceding the actual retirement or termination date of the member, or the date the member begins participation in the deferred retirement option plan, whichever is earlier; provided, the average monthly earnings of any such police officer who retires prior to October 1, 2017 shall be the greater of 1/12 of the arithmetic average of annual earnings for the highest 2 years preceding the actual retirement or termination date of a member, or the date the member begins participation in the deferred retirement option plan, whichever is earlier, or 1/12 of the arithmetic average of annual earnings for the 3 consecutive years immediately preceding the actual retirement or termination date of the member, or the date the member begins participation in the deferred retirement option plan, whichever is earlier.

**Beneficiary** – means any person chosen by you to receive any benefits which may be payable upon your death. A written beneficiary designation must be filed with the Board. You may change your beneficiary at any time prior to retirement. Following retirement, your beneficiary may only be changed up to two times and subsequently under certain circumstances. If you have not designated a beneficiary, the Board has the authority to make the designation for you.

**Continuous Service** – means Service (expressed as years and completed months) as an employee commencing with the hire or qualification date and ending on the date of death, resignation, termination, retirement or Deferred Retirement Option Plan (DROP) participation. Separate periods of service will be combined when a member is rehired and re-deposits the refunded contributions, with interest, within six months following their rehire date. For authorized leaves-of-absence or vacation in excess of six months, you will not receive more than 6 months of continuous service credit for benefit computation purposes. Continuous Service for leaves of absence to serve in the uniformed services will be governed by the Uniformed Services Employment and Reemployment Rights Act (USERRA). Members, who transfer between City plans, will have their continuous service under each plan combined for vesting and eligibility for benefits.

**Earnings** – means Effective October 1, 2004, "earnings," for police officers, shall mean the total cash remuneration paid by the primary employer for services rendered, assignment pay, crash-free bonus and continuous service benefit (annual longevity) paid to a member, including up to 300 hours of overtime compensation earned by a member in each 12-month period during the 24 consecutive months (36 consecutive months if 3 consecutive year definition of average monthly earnings applies) immediately preceding the member's date of retirement or termination of employment, whichever occurs first. If a member does not earn 300 hours of overtime compensation in each 12-month period during the 24 consecutive months (36 consecutive months if 3 consecutive year definition of average monthly earnings applies) immediately preceding the member's date of retirement or termination of employment, then up to 100 hours of overtime compensation earned by the member prior to the 24 consecutive months (36 consecutive months if 3 consecutive year definition of average monthly earnings applies) immediately preceding the member's date of retirement or termination of employment shall be added to the overtime compensation earned by a member in each of the final 2 consecutive 12-month periods (final 3 consecutive 12-month periods if 3 consecutive year definition of average monthly earnings applies) to make up to 300 hours. Provided, in no event shall the total amount of overtime compensation included in a member's earnings exceed 300 hours in any 12-month period; and overtime compensation, added to a member's earnings as provided above, shall be at the member's average overtime rate for the 24 consecutive month period (36 consecutive month period, if 3 consecutive year definition of average monthly earnings applies) immediately preceding the member's date of retirement or termination of employment, whichever occurs first. Payments for extra duty or special detail work performed on behalf of an outside employer, overtime in excess of 300 hours, other bonuses or accumulated sick and annual leave, holiday pay (which has never been considered earnings for pension purposes) and other payments will not be included. Notwithstanding the foregoing, effective April 14, 2015, earnings for police officers who did not attain the normal retirement date prior to April 14, 2015, shall not include the continuous service benefit (annual longevity); and for police officers who become members of the plan on or after April 14, 2015, earnings shall not include any overtime compensation. Total cash remuneration shall be calculated prior to salary reductions for contributions picked up by the city pursuant to section 12-133(5) or deferred compensation pursuant to section 457 of the Internal Revenue Code.

**Employee** – means a regular or probationary full-time employee classified as a sworn police officer. The City maintains a separate plan for civilian employees.

**Fund** – means the trust fund established for paying benefits to members of the City of Boca Raton Police and Firefighters' Retirement System.

**Member** – means any employee who has met the eligibility requirements for participation in the Plan. The police chief may waive participation in the Plan within 60 days of his hire or promotion. The request to waive must be in writing and is irrevocable.

**Vested** – means that you have earned a 100% nonforfeitable right to your accrued benefit. Once you have attained 10 years of continuous service, your right to your accrued benefit becomes 100% nonforfeitable. That means that even if you separate from employment prior to reaching your normal retirement age, you will still be eligible for a deferred vested retirement benefit (See heading “Deferred Vested Benefit”). It is important to note, however, that under Florida Law, even vested benefits are subject to forfeiture if you are convicted of or admit to having committed, certain crimes while working for the City (See heading, “Forfeiture of Pension for Specified Criminal Offenses”).

## **ELIGIBILITY AND ENROLLMENT**

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If you are an Employee, have attained the age of 18, completed all required medical examinations and meet all requirements of the civil service board, you are eligible to participate in the Plan.

Enrollment is automatic. However, the Pension Office will provide you with the forms that are needed to properly service your account. These forms must be completed and returned to the Pension Office.

The Plan is divided into separate benefit levels for police officers and firefighters. This Summary Plan Description is for police officers only.

## **CONTRIBUTIONS AND FUNDING**

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The Plan is funded by the City, the State of Florida premium tax funds provided in Chapter 185, Florida Statutes, and participating employee contributions. Additional funding is received from net investment returns.

You are generally required to contribute 11.5% of your earnings during your years of participation in the Plan. These contributions are deducted and paid to the Plan each bi-weekly payroll. However, if for any fiscal year, the City’s required contribution, as described below, is less than 10.2%, then your required contribution will decrease to 9.2%, beginning on the second payday immediately following October 1 of said fiscal year. Your contributions will cease upon participation in the Deferred Retirement Option Plan.

After 1985 the contributions that you and the City make to the Fund on your behalf are made on a pre-tax basis.

The City’s contribution rate for the Plan is determined annually by the Plan Actuary and set by the Board of Trustees. The contribution is reflected as a percent of total active member payroll (excluding DROP) and as a hard dollar amount. The City pays such established contribution amount at the beginning of each fiscal year. The actuary also compares the actuarial value of assets to the actuarial accrued liability to determine how well the Plan is funded based on the current actuarial assumptions which are subject to change. The following table illustrates the history of the Plan’s funding progress:

| <b>FISCAL YEAR</b>  | <b>FUNDED RATIO</b> |
|---------------------|---------------------|
| 10/01/21 – 09/30/22 | 67.90%              |
| 10/01/20 – 09/30/21 | 82.50%              |
| 10/01/19 – 09/30/20 | 71.16%              |
| 10/01/18 – 09/30/19 | 73.74%              |
| 10/01/17 – 09/30/18 | 76.91%              |
| 10/01/16 – 09/30/17 | 77.61%              |
| 10/01/15 – 09/30/16 | 75.30%              |
| 10/01/14 – 09/30/15 | 79.20%              |
| 10/01/13 – 09/30/14 | 78.90%              |
| 10/01/12 – 09/30/13 | 74.70%              |

All contributions and investment earnings are used for the purpose of providing benefits to employees and beneficiaries upon retirement, including expenses related to the administration of the Fund. City contributions are not allocated to specific individuals; therefore, they remain in the fund. Contributions may not be borrowed against or used for collateral; nor may you withdraw them while still an active employee.

If you transfer between City plans, your member contributions plus interest and the City contributions made on your behalf will be transferred from the plan being vacated to the plan being entered.

## **PURCHASE OF PRIOR SERVICE – BUY BACKS**

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Members may qualify to purchase up to a maximum of five years of prior full-time eligible service credits, or an alternate benefit rate (the equivalence of full-time prior service if previously a member of a defined contribution plan) for full-time employment prior to employment by the City in the active service of the U.S. Armed Forces or as a police officer for another employer. For purposes of determining credit for prior service as a police officer, credit may be given for federal, other state, municipal, or county service if the prior service as a police officer or deputy sheriff is recognized by the Criminal Justice Standards and Training Commission within the Florida Department of Law Enforcement. If a member has prior service as a Police Officer and participated in a defined contribution plan for that service, but is prohibited by operation of law from purchasing credit for such service, the member may purchase an increased benefit rate (the equivalence of full credit for such past service). Such service credits shall be counted as continuous service for the purpose of benefit calculations, or the equivalent, but shall not be counted for purposes of vesting or eligibility for benefits. Qualified members may purchase prior full-time eligible service at any time prior to retirement. The purchase of an alternate benefit rate must be completed within six months of becoming a member of the Plan. Purchase of prior service is not allowed if the member has received, is receiving, is entitled to receive or will receive a retirement benefit attributable to that prior service period.

The full actuarial cost of the service, as determined by the plan actuary, or as of July 24, 2018, a second determination may be calculated to determine cost of service. Using the member's contribution rate and earnings as of the date of purchase of past service credit, and then multiplying the result by the number of year(s) of past service credit to be purchased. The greater of the two calculations will be the "minimum cost of purchase" and the full amount must be paid in a lump sum. The payment may be made with pre-tax monies through a direct transfer or rollover of an eligible distribution into the Fund from another tax-deferred qualified plan. The payment also may be made with after tax dollars. Contact the Pension Office for more information.



## **ELIGIBILITY FOR RETIREMENT BENEFITS**

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The earliest date at which you can receive full benefits is called your Normal Retirement Date. Your Normal Retirement Date is the first day of the month coincident with or following completion of 20 years of continuous service OR attainment of age 55 with 10 years of continuous service. There is no mandatory retirement date; employees may work past their Normal Retirement Date and continue to accrue additional benefits.

The earliest date at which benefits can be paid, although at a reduced rate, is the Early Retirement Date. Eligibility is the attainment of age 50 with 10 years of continuous service.

Your Normal and Early Retirement Dates are calculated at the time of entry into the Plan but may be adjusted for breaks in service.

## **NORMAL RETIREMENT BENEFITS**

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There are three components in the calculation of Normal Retirement benefits. They are your continuous service and average monthly earnings, calculated as of the retirement date, and a multiplier of 3.5%. Once these components have been calculated, they are multiplied times each other as follows:

**Continuous Service x Average Monthly Earnings x Multiplier = Monthly Benefit**

*Example Benefit Calculation.* If continuous service is 21 years and 3 months (21.25 years) and average monthly earnings are \$6,000, the monthly benefit (payable for your lifetime but with a guarantee of 120 payments) is:

$$21.25 \text{ years} \times \$6,000 \times 3.5\% (.035) = \$4,462.50 \text{ Normal Benefit.}$$

The maximum normal retirement benefit (when applied to the normal form of benefit, before any reduction for early retirement) for members who did not attain their normal retirement date prior to April 14, 2015 shall be 77% of average monthly earnings; provided, if a member's accrued benefit as of April 14, 2015 exceeds 77% of average monthly earnings, the member shall retain the accrued benefit as of that date but shall not thereafter accrue any additional benefit. In no event shall such member's normal retirement benefit be less than 2.0% of average monthly earnings for each year of continuous service. The maximum benefit limits shall be applied to the normal retirement benefit (when applied to the normal form of benefit) before any reduction for early retirement, and shall not apply to any annual increase or retirement supplement provided by the Plan. Notwithstanding the foregoing, for members who purchased past service on or before April 14, 2015, the maximum retirement benefit of 77% of average monthly earnings shall be increased to include the percentage attributable to the previously purchased past service, but in such event the maximum normal retirement benefit (when applied to the normal form of benefit) at the time of retirement shall not exceed 87.5% of average monthly earnings. Past service purchased after April 14, 2015 shall not increase the maximum normal retirement benefit above 77% of average monthly earnings.

Notwithstanding the prior maximums, the maximum normal retirement benefit for members who retire on or after July 24, 2018 shall be 84% of AME; provided, if a member's accrued benefit as of July 24, 2018 exceeded 84% of the AME, the member shall retain the accrued benefit as of that date but shall not thereafter accrue any additional benefit. In no event shall such member's normal retirement benefit be less than 2% of the AME for each year of service. For those members who purchased past service on or before April 14, 2015, the maximum benefit of 84% of AME shall be increased to include the percentage attributable to the previously past service, but in no event shall the maximum normal retirement benefit (when applied to the normal form of benefit) at the time of retirement shall not exceed 87.5% of AME. Past service purchased on or after April 14, 2015 shall not increase the maximum normal retirement benefit above 84% of the AME.

***Transfer from General Employees' Plan.*** If you are a member who transferred from the General Employees' Pension Plan, the multiplier will be applied in two parts. The General Employees' Pension Plan multiplier that was in effect at the time of the transfer will be applied to the period of continuous service you earned while in the General Employees' Plan. The Police Officer multiplier that was in effect at the time of retirement will be applied to the period of continuous service you earned while in the Police & Firefighters' Retirement System; provided that the total pension computed shall not exceed the maximum limitation on normal retirement benefits provided for members of this Plan. A member who on or after July 24, 2018, transfers to the police and firefighters' pension plan from the general employees' pension plan shall not receive a cost-of-living increase or an annual on the portion of their accrued benefit that was earned while a member of the general employees' pension plan.

## **EARLY RETIREMENT BENEFITS**

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If you terminate employment after having attained your Early Retirement Date but before attaining your Normal Retirement Date, there are two options available. First, the benefits can be deferred until your Normal Retirement Date, in which case the benefit will be calculated the same as shown above. Second, you may take a reduced benefit, which may start at any time prior to your Normal Retirement Date.

Under the second option, the benefit is calculated in the same manner as the Normal Retirement benefit except that there is another component called an "Early Retirement Reduction Factor". The reduction factor is 3% for each year (this is prorated for partial years) by which your actual Early Retirement Date precedes your Normal Retirement Date.

***Example Early Benefit Calculation.*** Use the same facts as above. Assume that your Early Retirement Date is three years before your Normal Retirement Date. The reduction will be 3% for each of the three years for a total reduction of 9%. The monthly benefit payment is:

$$\$4,462.50 \text{ Normal Benefit less } \$401.62 (\$4,462.50 \times 9\%) = \$4,060.88 \text{ Early Benefit.}$$

## **BENEFIT PAYMENT OPTIONS**

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Retirement benefits will be paid only during the lifetime of the member with a guarantee that benefits will continue for a minimum of ten years unless another option is chosen:

- ***Ten Year Certain and Life Option*** - Payments are made during the lifetime of the member, but in no event shall less than 120 monthly payments be made.

Optional forms of benefit payments include:

- ***Joint and Last Survivor Option*** – Monthly payments of a lower amount than under the Ten-Year Certain and Life form are made during the lifetimes of you and your designated beneficiary. You choose the percent of your benefit, 100%, 75%, 66 <sup>2</sup>/<sub>3</sub> % or 50%, that you want to continue to your beneficiary in the event you die first. The beneficiary may be changed up to two times once you have retired provided you make a written designation. Any subsequent beneficiary changes require approval by the Board subject to certain requirements provided you make a written designation. The election of this option shall be null and void if the individual whom you designated dies before your retirement.
- ***Life of Member Option*** – Monthly payments of a greater amount than under the Ten-Year Certain and Life form are only made during your lifetime. However, if you die before receiving benefits at least equal to your contributions, a payment equal to the difference between your contributions and the total benefits you received will be paid to your designated beneficiaries.
- ***Other Actuarial Equivalent Options*** – Actuarial equivalent options may be approved by the board limited to the retiring member receiving at least 50 percent of the total present value of payments.

*Ten Year Certain with Joint and Survivor Options* would be included in this option category.

## **DEFERRED VESTED BENEFIT**

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If your employment is terminated after having completed at least 10 years of continuous service but before becoming eligible for retirement, death or disability benefits, the benefit shall be calculated as of your termination date, but payment shall be deferred until your Normal Retirement Date. The benefit will be calculated in the same manner as your normal retirement benefit. In lieu of deferred benefits, you may elect to receive a refund of your member contributions, plus 3 percent interest calculated annually.

If your employment with the city as a police officer is terminated for whatever reason, but you remain or were previously employed by the city in some other capacity so that your total period of employment with the city is 10 years or more, you shall have all benefits accrued under this system preserved, provided the you do not elect to withdraw your member contributions. Such accrued benefits shall be paid at your otherwise normal retirement date in accordance with the provisions of this system.

Your vested benefit will be forfeited if, at any time prior to receiving benefits, you elect to withdraw your own contributions and interest. However, if you are subsequently rehired and you redeposit the amount that was refunded to you, with interest at the actuarial rate of return for the fiscal year, within six months of your rehire date, the service for your previous period of employment will be restored.

You must submit your application, to receive your benefits, to the Pension Board prior to the date upon which you wish for your benefits to commence. It is also your responsibility to keep your beneficiary designation current and notify the Pension Office of any address changes.

If you die before commencement of your benefits, your beneficiaries will receive your accrued pension benefit commencing on what would have been your Normal Retirement Date or a reduced benefit commencing on or after your Early Retirement Date, unless an earlier date is required under the Internal Revenue Code. Benefits will be paid monthly for a period of 10 years (120 monthly payments).

## **ELIGIBILITY FOR DISABILITY BENEFITS**

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If you receive an injury or disease that permanently prevents regular and continuous duty as a police officer, you may apply for disability benefits. There is no continuous service requirement if the injury or disease is service-incurred. If the injury or disease is not service-incurred, you must have at least 10 years of continuous service.

You shall not qualify for disability benefits if the Board determines that your disability is a direct result of the excessive and habitual use of drugs, intoxicants or narcotics, occurs after employment has terminated or while willfully and illegally participating in fights, riots or civil insurrections, committing a crime or serving in any armed forces. You shall not qualify for disability retirement if you are in the Deferred Retirement Option Plan.

If you wish to apply for a disability benefit, you must do so on the forms provided by the Board. Processing of an application for a disability retirement takes a minimum of three months. There is no automatic entitlement to a disability benefit; i.e. you have the burden of proving that you qualify.

The Board of Trustees must approve the disability benefit. This disability is based upon the recommendation of the Medical Board. The Medical Board shall be comprised of three physicians who will review all the records, examine the applicant and report their conclusions and recommendations in writing to the Board of Trustees.

## **DISABILITY BENEFITS**

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The monthly benefit for a service-incurred disability is the greater of 75% of your average monthly earnings or your accrued normal retirement benefit.

The monthly benefit for a non-service-incurred disability is equal to your accrued pension benefit.

If you are granted a service-incurred disability and receive payments from Social Security or Workers' Compensation for the same disability, or receive benefits from another retirement plan of the City, your pension benefits may be reduced so that the total from all sources does not exceed 100% of your gross monthly salary at the time of your disability retirement. Your gross monthly salary will be escalated for increases in the Consumer Price Index (CPI).

In addition, your pension benefits may be reduced by 50% of wages, as reported on IRS Form W-2, or net earnings from self-employment, that are in excess of 200% of the difference between your gross monthly salary at the time of your disability retirement and your pension benefit.

However, in no case, will you receive less than your accrued normal retirement benefit, 42% of your average monthly earnings, or 42% of the original disability benefit, whichever is higher. You will be required to provide the Board with all the records necessary to calculate the offset. Your gross monthly salary will be escalated for increases in the CPI.

Payments shall commence on the day following approval of disability benefits by the Board and shall be paid under the elected form of benefit payment option until the earlier of recovery or death.

Recovery from disability shall have occurred when you have recovered sufficiently from your disease or illness and are shown to be physically able to perform your regular duties in the Police Services Department. Upon recovery, the Board shall stop your disability payments and require that you resume employment. If you resume your position in the Police Services Department, you shall receive credit for continuous service for periods before and during your disability, provided you pay into the fund appropriate contributions and interest, as determined by the Board.

## **PRE-RETIREMENT DEATH BENEFITS**

If you die as a direct result of an occurrence arising in the performance of service, a lump sum payment of \$5,000 shall be paid to your surviving spouse or other designated beneficiaries, as the case may be. In addition, your surviving spouse will receive a monthly benefit until death, equal to 75% of your average monthly earnings, unless you have 10 or more years of credited service and have designated a beneficiary (which may be your spouse) to receive the preretirement death benefit, in which case the beneficiary is entitled to the benefits otherwise payable to you at the time you would have reached early or normal retirement age (a 10-year certain benefit); except that a survivor spouse who is also designated as the early retirement benefit beneficiary is entitled to elect between the 2 options. An additional 7½% of your average monthly earnings will be paid for each minor child, but in no event shall the total amount paid to your spouse and children exceed 90% of your average monthly earnings. The payments to the children shall end upon the earlier of either death; marriage; attainment of age 18; or age 22 if the child is a full-time student in an accredited university or college.

Upon the death of your spouse, the 7½% child allowance shall be increased to 15%, with the combined total not to exceed the greater of your accrued normal retirement benefit, and 50% of your average monthly earnings. These payments shall be made into a trust, which shall be under the control of the Board of Trustees.

If you die from causes not attributable to active duty and have less than one year of continuous service, a single payment of \$2,500 shall be paid to your beneficiaries. If you have one or more years of continuous service, but fewer than five years, a single payment of \$5,000 shall be paid to your beneficiaries. If you have five or more years of service, a single payment of \$5,000 shall be paid to your beneficiaries, and, in addition, your surviving spouse will receive a monthly pension (subject to a minimum benefit of 20% of your average monthly earnings) equal to the greater of 65% of your accrued pension, calculated as of your date of death, and the pension benefit otherwise payable to you starting at early or normal retirement age, unless you have

10 or more years of credited service and have designated a beneficiary (which may be your spouse) to receive the preretirement death benefit, in which case the beneficiary is entitled to the benefits otherwise payable to you at the time you would have reached early or normal retirement age (a 10-year certain benefit); except that a survivor spouse who is also designated as the early retirement benefit beneficiary is entitled to elect between the 2 options . In addition, your minor children will receive benefits equal to those described above for service-incurred death benefits, provided that total benefits paid to your spouse and children shall not exceed the greater of your accrued normal retirement benefit, and 50% of your average monthly earnings.

There is a minimum death benefit, for both service and non-service incurred death, which may be payable to any beneficiary. This benefit is your accrued pension benefit commencing on what would have been your Normal Retirement Date or a reduced benefit commencing on or after your Early Retirement Date. Benefits will be paid monthly for a period of 10 years (120 payments). A beneficiary who is your spouse will have the option of choosing this benefit if it is greater than those described above. The Internal Revenue Code may require that payments to a non-spousal beneficiary commence prior to what would have been your Early Retirement Date.

You shall not qualify for pre-retirement death benefits if you are in the Deferred Retirement Option Plan on your date of death.

## **POST RETIREMENT DEATH BENEFITS**

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If you are entitled to a deferred vested benefit and die prior to commencement of retirement benefits, the death benefit shall be the accrued pension benefit commencing on what would have been your Normal Retirement Date or a reduced benefit commencing on or after your Early Retirement Date, unless the Internal Revenue Code requires that benefits commence earlier.

If you die after commencement of retirement benefits, the continuation of payments shall be determined by the payment option selected at the time of retirement. In no event will you receive total benefits less than an amount equal to your contributions plus interest, as determined on the date of retirement.

## **ANNUAL INCREASES (i.e. COST-OF-LIVING-ADJUSTMENTS)**

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If you retire on or after October 1, 2001, and are eligible to receive Normal Retirement benefits at the time you leave the employment of the City, you will receive a 2% annual increase (also known as a cost-of-living adjustment or COLA) beginning the first anniversary of your actual retirement date. Notwithstanding the prior sentence, if you are employed on April 14, 2015, and terminate employment after attaining 10 years of continuous service but before attaining your normal retirement date, you shall not be eligible for the annual increase provided herein for the portion of the benefit based on continuous service on or after April 14, 2015. If you became a member of the plan on or after April 14, 2015 and terminate employment prior to your normal retirement date, you shall not be eligible for the annual increase.

The annual increase for members who did not attain their normal retirement date prior to April 14, 2015 and who enter the deferred option retirement option plan (DROP) on or after April 14, 2015 shall begin three years after DROP entry or one year after termination of employment, whichever is earlier.

## **DEFERRED RETIREMENT OPTION PLAN (DROP)**

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When you become eligible for Normal Retirement and are still employed as a police officer, you may elect to “retire” from the Plan but continue to work for the City. Your retirement benefit will be calculated as if your employment terminated, but it will not be paid to you. Instead, the benefit payments will be paid into a DROP account for you until you actually leave the employment of the City.

In order to participate in the DROP, you must submit a written application to the Board, which, as of July 24, 2018 will be deemed irrevocable. Along with the application, the member must submit an irrevocable, unconditional letter of resignation, which shall be effective prior to entering the DROP. The DROP participation period will be the earlier of the termination of the member’s employment, for any reason, or the last day of the maximum DROP participation period. The DROP application is subject to Board approval. Such application should be submitted to the Pension Office at least 45 days prior to the expected date of participation. Participation will commence on the first day of the month following the Board’s approval of your application and shall end no later than 84 months from the effective date.

You may continue in the DROP for a maximum of seven years, at which time you are expected to retire from the City. If you do not retire, your monthly deposit will be suspended and no further earnings will be credited (although you will continue to be charged with administrative expenses).

As a DROP participant, you may elect to have the monies in your DROP account remain a commingled part of the pension fund for investment purposes, in which case it will be credited with the actual rate of return, net of brokerage commissions and transaction costs, realized by the System’s portfolio. Alternatively, you may elect to self-direct your DROP monies among various investment options pre-approved by the Board of Trustees, which will be credited with the actual net rate of return realized through your investment options, less monthly administrative expenses.

As a DROP participant you will not be eligible to vote in trustee elections.

Upon your actual separation of employment from the City, your monthly benefit payments will be paid directly to you, rather than the DROP. At this time, you may elect to start withdrawals from the DROP. This includes a single partial payment within 30 days of separation, a monthly annuity, an annual one-time request or a quarterly amount. At any time following the termination of your employment, you may request a lump-sum withdrawal of the remaining balance of your DROP account. New legislation changed the required commencement of benefits at age 72 to 73 for individuals who attain the age of 72 after December 31, 2022, and age 73 before January 2033. For individuals who attain age 74 after December 31, 2032, the applicable age is 75. Taxable benefits paid to you prior to your attainment of age 59½ may be subject to a 10% excise tax if you terminate employment before the year of your 50<sup>th</sup> birthday or 25 years of service, whichever is earlier. The penalty tax may be avoided if you elect to have your DROP balance annuitized over your expected lifetime. If this election is made, the scheduled payments must be maintained until attainment of age 59½ or for five years, whichever comes later.

When your participation in the DROP commences, you will no longer be eligible for disability or pre-retirement death benefits from the Plan. If you die before your DROP balance is paid to you in full, your beneficiary shall have the same rights to which you were entitled.

The DROP will be administered according to procedures adopted and modified from time to time by the Board of Trustees. You may request a current copy of the administrative procedures and investment guidelines from the Pension Office.

## **RETIREMENT SUPPLEMENT**

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Following your actual retirement (including termination of any participation in the DROP) from the City, you will receive a supplemental benefit equal to \$20.00 per month for each whole year of service with the City, including your years in the DROP. This benefit will be paid to you for as long as you live; however, you may choose to have it paid (and actuarially reduced) under one of the optional forms of benefit, which may be different than the option you choose for your regular retirement benefit. If you are vested when you leave the City and do not withdraw your contributions, this benefit will commence at the same time as your regular retirement benefit. The retirement supplement is not subject to annual increases.

***Example Retirement Supplement Calculation.*** If continuous service is 20 years and the number of DROP years equal 7 years the total number of years of service is 27.

$$20 \text{ continuous years} + 7 \text{ DROP years} = 27 \times \$20.00 = \$540.00 \text{ Retirement Supplement.}$$

## **NON-VESTED BENEFITS**

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If you terminate your employment prior to completing ten years of continuous service and are not applying for any other benefits, you are entitled to a refund of member contributions with accumulated interest (3% per annum). You must submit a written request for a withdrawal and provide instructions for how it is to be paid.

You will receive the refund of your after-tax contributions tax free but refunds of pre-tax contributions and interest are taxable income in the year paid and are subject to a 10% excise tax if you terminate before the year of your 50<sup>th</sup> birthday or 25 years of service, whichever is earlier, and the refund is paid before attainment of age 59½. However, the refunded monies can retain their tax-deferred status if you transfer them directly to an Individual Retirement Account (IRA) or another tax-qualified vehicle. If you choose not to transfer the monies to an IRA, 20% of the taxable refunded amount will be withheld for the taxes and penalty. You will have 90 days from your date of termination to make this decision. If your total refund is less than \$5,000 and you do not make a written request for a refund within the 90-day period, your contributions will automatically be sent to you following approval by the Board.

At the end of the year in which the refund is paid, you will receive IRS Form 1099-R to help you in the preparation of your tax return.

If you terminate your employment, receive a refund of your contributions and are subsequently rehired by the City as a police officer, you will have six months from the date of your rehire to redeposit your contributions, with interest at the actuarial rate of return for the fiscal year. Upon such deposit, you will receive continuous service credit for your previous years of employment. You will receive benefits in place at the time you rejoin.



## **FAILURE TO SIGN WAIVER**

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If you do not sign a waiver relating to any claims concerning the use of Chapter 185 monies, the benefits described in the preceding sections will be modified as follows:

- The benefit multiplier for all benefits will be 2.5%
- The maximum retirement benefit will be 75% of your average monthly earnings
- The DROP is not available
- There are no cost-of-living adjustments
- The Retirement Supplement is not available

## **CLAIMS BY PARTICIPANTS AND BENEFICIARIES**

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All claims for benefits must be made in writing and submitted to the Pension Office. The Board, which meets monthly, must approve all benefits. All benefit checks are issued on the last business day of each month.

Applications for retirement and DROP participation should be submitted at least 45 days prior to the anticipated retirement date.

Claims for death benefits will be paid in accordance with the terms of the Plan and the most recent "Designation of Beneficiary" form on file with the Pension Office. It is your responsibility to keep this form current. If there is no designated beneficiary at the time of your death, the Board is authorized to make the designation. A certified copy of the death certificate must be submitted with any claim for death benefits.

Claims made by spouses for a member's benefit as a result of divorce, will only be honored if they are in the form of an Income Deduction Order issued by a court for alimony or child support. Qualified Domestic Relations Orders (QDROs) will not be honored. All orders from a court will be submitted to the Board's attorney for an opinion on their legality.

If any claim for benefits is denied, the reasons for denial will be submitted in writing to the claimant. If the claimant wishes to contest the Board's decision, a formal hearing may be requested and additional evidence may be presented.

The Board has the power to re-examine the facts upon which any pension has been granted. The pension files may be purged of any person granted a pension under this plan, if it is found to be erroneous, fraudulent or illegal.

Your benefits shall be forfeited, under state law, if you admit to, or are found guilty of, committing certain crimes, such as (but not limited to) embezzlement, bribery or misuse of your public position.

If you are determined by the Board to be incompetent, or if a deceased member's beneficiary is a minor, payment for benefits may be made to a duly appointed guardian, or to such person's spouse, children or other person who has incurred expenses or assumed responsibility for such expenses. Any payment so made from the Plan shall be a complete discharge of any liability under the Plan.

## **PLAN AMENDMENTS OR TERMINATION**

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The City reserves the right to amend the Plan. However, all ordinances proposing changes to Plan provisions must be referred to the Board for review. The Board has 30 days to review the ordinance and submit its recommendations to the City Council.

Upon termination of the Plan or complete discontinuance of contributions to the Plan, each employee will become vested in the benefits that have accrued. All City contributions will remain in the plan for the benefit of the members and beneficiaries until all liabilities are satisfied.

## **FORFEITURE OF PENSION FOR SPECIFIED CRIMINAL OFFENSES**

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Under Section 112.3173, Florida Statutes, any public officer or employee who is convicted of a specified offense committed prior to retirement, or whose office or employment is terminated by reason of his or her admitted commission, aid, or abetment of a specified offense, shall forfeit all rights and benefits under any public retirement system of which he or she is a member, except for the return of his or her accumulated contributions as of the date of termination. The crimes that constitute specified offenses are listed in Section 112.3173, Florida Statutes.

## **PARTICIPANT DATA**

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The table below illustrates the number of Police and Firefighter plan members as of September 30<sup>th</sup> for each year shown:

|                        | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Active Police Officers | 164         | 175         | 177         | 176         | 175         | 171         | 161         | 148         | 154         | 159         |
| Active Firefighters    | 200         | 200         | 211         | 207         | 207         | 192         | 177         | 169         | 173         | 174         |
| DROP Members           | 73          | 68          | 47          | 31          | 35          | 40          | 49          | 58          | 65          | 53          |
| Service Retirees       | 273         | 265         | 260         | 251         | 238         | 228         | 214         | 199         | 187         | 178         |
| Disabilities           | 25          | 23          | 23          | 24          | 25          | 26          | 27          | 27          | 28          | 29          |
| Beneficiaries          | 28          | 27          | 29          | 32          | 30          | 29          | 28          | 30          | 28          | 30          |
| Deferred Vested        | 11          | 9           | 12          | 9           | 10          | 7           | 9           | 7           | 2           | 2           |

## **FINANCIAL INFORMATION AND ACTUARIAL REPORT**

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The following represents the Plan's comparative financial information for the most recent two fiscal years ended September 30, 2022 and 2021. Please refer to the Plan's website for more information and required disclosures regarding the Plan's financial and actuarial metrics.

The actuary's valuation letter on the solvency and actuarial soundness of the plan is on the next page.

February 22, 2023

Board of Trustees  
City of Boca Raton  
Police and Firefighters' Retirement System  
201 W. Palmetto Park Road  
Pension Office, Suite 230  
Boca Raton, FL 33432

Re: City of Boca Raton Police and Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Boca Raton Police and Firefighters' Retirement System. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112, 175 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Boca Raton, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2022 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

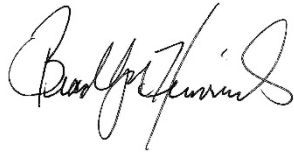
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Boca Raton, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Boca Raton Police and Firefighters' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.



By: \_\_\_\_\_  
Bradley R. Heinrichs, FSA, EA, MAAA  
Enrolled Actuary #20-6901



By: \_\_\_\_\_  
Patrick T. Donlan, EA, ASA, MAAA  
Enrolled Actuary #20-6595

PTD/lke

Enclosures

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022

| <u>ASSETS</u>                            | MARKET VALUE       |
|--|--------------------|
| Cash and Cash Equivalents:               |                    |
| Cash & Short Term Investments            | 7,654,617.71       |
| Other Assets                             | 35,563.18          |
| <br>Total Cash and Equivalents           | <br>7,690,180.89   |
| Receivables:                             |                    |
| Interest and dividends                   | 264,095.55         |
| <br>Total Receivables                    | <br>264,095.55     |
| Investments:                             |                    |
| Domestic Equity                          | 96,804,865.08      |
| Fixed Income                             | 72,440,419.56      |
| Commingled Funds                         | 28,018,850.19      |
| Real Estate                              | 28,647,107.26      |
| Non-US Equity                            | 50,190,554.97      |
| Private Equity                           | 75,450,648.83      |
| Private Debt                             | 50,670,991.74      |
| Multi Asset Class                        | 39,888,589.69      |
| <br>Total Investments                    | <br>442,112,027.32 |
| <br>Total Assets                         | <br>450,066,303.76 |
| <br><u>LIABILITIES</u>                   |                    |
| Payables:                                |                    |
| Accounts payable and accrued expenses    | 308,018.98         |
| Unsettled Trades                         | 610,857.67         |
| <br>Total Liabilities                    | <br>918,876.65     |
| <br>NET POSITION RESTRICTED FOR PENSIONS | <br>449,147,427.11 |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
Market Value Basis

| <u>ADDITIONS</u>                          |                     | Police Officers   | Firefighters      |
|---|---------------------|-------------------|-------------------|
| Contributions:                            |                     |                   |                   |
| Employee                                  | 4,358,024.74        | 2,107,048.65      | 2,250,976.09      |
| Employee Buybacks                         | 146,367.69          | 45,882.69         | 100,485.00        |
| City                                      | 18,593,875.00       | 9,492,897.00      | 9,100,978.00      |
| State                                     | 4,214,956.28        | 1,809,624.41      | 2,405,331.87      |
| <br>Total Contributions                   | <br>27,313,223.71   | <br>13,455,452.75 | <br>13,857,770.96 |
| Investment Income:                        |                     |                   |                   |
| Net Increase in Fair Value of Investments | (65,411,551.24)     |                   |                   |
| Interest & Dividends                      | 8,751,860.96        |                   |                   |
| Less Investment Expense <sup>1</sup>      | (4,265,100.56)      |                   |                   |
| <br>Net Investment Income                 | <br>(60,924,790.84) |                   |                   |
| <br>Total Additions                       | <br>(33,611,567.13) |                   |                   |
| <br><u>DEDUCTIONS</u>                     |                     |                   |                   |
| Distributions to Members:                 |                     |                   |                   |
| Benefit Payments                          | 24,342,117.16       | 11,360,477.53     | 12,981,639.63     |
| Lump Sum DROP Distributions               | 3,620,915.97        | 2,696,544.34      | 924,371.63        |
| Refunds of Member Contributions           | 102,747.18          | 96,949.59         | 5,797.59          |
| <br>Total Distributions                   | <br>28,065,780.31   | <br>14,153,971.46 | <br>13,911,808.85 |
| <br>Administrative Expense                | <br>270,023.23      | <br>135,011.61    | <br>135,011.62    |
| <br>Total Deductions                      | <br>28,335,803.54   |                   |                   |
| <br>Net Increase in Net Position          | <br>(61,947,370.67) |                   |                   |
| <br>NET POSITION RESTRICTED FOR PENSIONS  |                     |                   |                   |
| Beginning of the Year                     | 511,094,797.78      |                   |                   |
| <br>End of the Year                       | <br>449,147,427.11  |                   |                   |
| <br>Non-Investment Cash Flow              | <br>(1,022,579.83)  | <br>(833,530.32)  | <br>(189,049.51)  |

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2021

| <u>ASSETS</u>                         | MARKET VALUE   |
|---------------------------------------|----------------|
| Cash and Cash Equivalents:            |                |
| Cash and short-term investments       | 6,668,460.87   |
| Total Cash and Equivalents            | 6,668,460.87   |
| Receivables:                          |                |
| Unsettled trades                      | 11,523.71      |
| Interest and dividends                | 263,069.12     |
| Total Receivable                      | 274,592.83     |
| Investments:                          |                |
| U. S. government securities           | 16,520,717.35  |
| Corporate bonds and debentures        | 43,189,033.32  |
| Common stock                          | 147,484,682.11 |
| Multi asset class                     | 49,418,551.33  |
| Non-US equity                         | 73,025,928.13  |
| Commingled funds                      | 38,102,578.61  |
| Private equity                        | 111,408,784.13 |
| Real Estate                           | 25,442,182.69  |
| Total Investments                     | 504,592,457.67 |
| Other Assets                          | 33,987.45      |
| Total Assets                          | 511,569,498.82 |
| <u>LIABILITIES</u>                    |                |
| Payables:                             |                |
| Accounts payable and accrued expenses | 374,005.50     |
| Unsettled trades payable              | 100,695.54     |
| Total Liabilities                     | 474,701.04     |
| NET POSITION RESTRICTED FOR PENSIONS  | 511,094,797.78 |



STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2021  
Market Value Basis

| <u>ADDITIONS</u>   |                    | Police Officers    | Firefighters       |
|--|--------------------|--------------------|--------------------|
| Contributions:   |                    |                    |                    |
| Employee   | 4,271,550.83       | 2,102,312.49       | 2,169,238.34       |
| Employee Buybacks  | 98,446.00          | 34,861.00          | 63,585.00          |
| City   | 15,721,887.00      | 8,256,696.00       | 7,465,191.00       |
| State  | 3,711,634.57       | 1,479,146.18       | 2,232,488.39       |
| <br>Total Contributions  | <br>23,803,518.40  | <br>11,873,015.67  | <br>11,930,502.73  |
| Investment Income:   |                    |                    |                    |
| Net Increase in Fair Value of Investments  | 97,443,232.19      |                    |                    |
| Interest & Dividends   | 9,693,725.00       |                    |                    |
| Less Investment Expense <sup>1</sup>   | (5,612,144.19)     |                    |                    |
| <br>Net Investment Income  | <br>101,524,813.00 |                    |                    |
| <br>Total Additions  | <br>125,328,331.40 |                    |                    |
| <br><u>DEDUCTIONS</u>  |                    |                    |                    |
| Distributions to Members:  |                    |                    |                    |
| Benefit Payments   | 23,165,206.48      | 10,576,960.65      | 12,588,245.83      |
| Deferred retirement option plan  | 7,665,009.05       | 5,351,826.39       | 2,313,182.66       |
| Termination refunds  | 39,011.22          | 24,690.52          | 14,320.70          |
| <br>Total Distributions  | <br>30,869,226.75  | <br>15,953,477.56  | <br>14,915,749.19  |
| <br>Administrative Expense   | <br>229,348.95     | <br>114,674.47     | <br>114,674.48     |
| <br>Total Deductions   | <br>31,098,575.70  |                    |                    |
| <br>Net Increase in Net Position   | <br>94,229,755.70  |                    |                    |
| <br>NET POSITION RESTRICTED FOR PENSIONS   |                    |                    |                    |
| Beginning of the Year  | 416,865,042.08     |                    |                    |
| <br>End of the Year  | <br>511,094,797.78 |                    |                    |
| <br>Non-Investment Cash Flow<br>(includes prepaid contributions deposited during the year) | <br>(7,295,057.30) | <br>(4,195,136.36) | <br>(3,099,920.94) |

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.