

City of Palm Beach Gardens  
General Employees'  
Pension Plan

Actuarial Valuation  
As of October 1, 2024

Determines the Contribution  
For the 2025/26 Fiscal Year



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February 4, 2025

## Introduction

This report presents the results of the October 1, 2024 actuarial valuation of the City of Palm Beach Gardens General Employees' Pension Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2024 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2025/26 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2025/26 plan year. The minimum required contribution is zero, which equates to 0.00% of covered payroll. The minimum required contribution decreased by \$3,660 from the prior valuation.

The normal cost rate is 0.00%, which is 3.76% of payroll lower than the rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 3.59% of payroll due to investment gains and decreased by another 0.17% of payroll due to demographic experience. Although the market value of assets earned 20.02% during the 2023/24 plan year, the actuarial value of assets is based on a four-year phase-in of the net investment appreciation. On this basis, the actuarial value of assets only earned



7.93% during the 2023/24 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2025/26 minimum required contribution will be equal to zero.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$3,479.807. As illustrated in Table I-A, current assets are sufficient to cover this entire amount. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

### Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2024, the advance employer contribution is \$19,992, which is equal to the prior year advance contribution, as shown in Table II-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2024/25 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

### Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment



returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.

### Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets, which is based on a four-year phase-in of the net investment appreciation in order to provide a more stable and predictable contribution rate for the employer. Tables III-A through



III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2024, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

### Accumulated Employee Contributions

Note that an employee contribution history was only available since September 30, 2004. Therefore, this report does not show the balance of accumulated employee contributions.

### Certification

This actuarial valuation was prepared 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

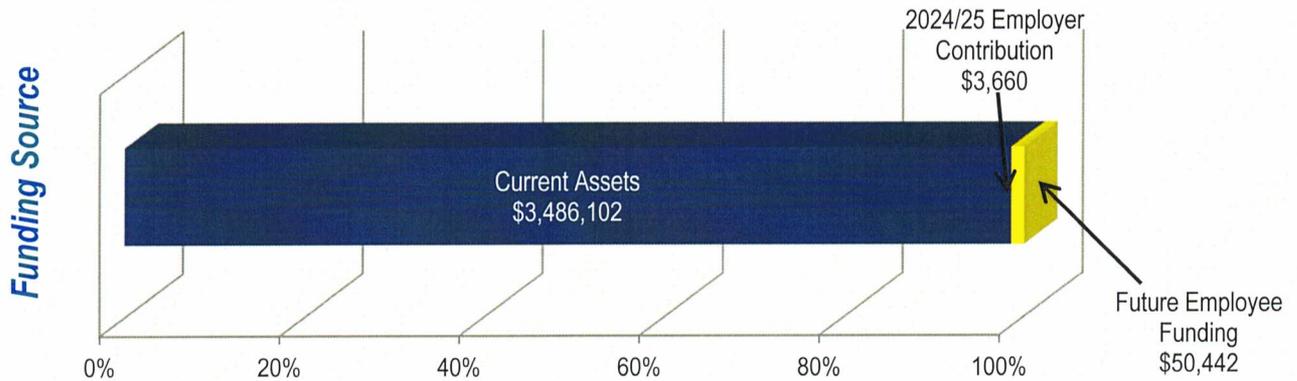
Enrolled Actuary No. 23-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



Minimum Required Contribution

Table I-A



**For the 2025/26 Plan Year**

Present Value of Future Benefits	\$3,345,968
Present Value of Future Administrative Expenses	\$133,839
Actuarial Value of Assets	(\$3,486,102)
Present Value of Future Employee Contributions	(\$50,442)
Present Value of Future Normal Costs	\$0
Present Value of Future Payroll	÷ \$840,708
Normal Cost Rate	= 0%
Expected Payroll	x \$131,535
Normal Cost	\$0
Adjustment to Reflect Beginning-of-Year Employer Contribution	\$0
Additional Interest Adjustment Due to the One-Year Delay	(\$256)

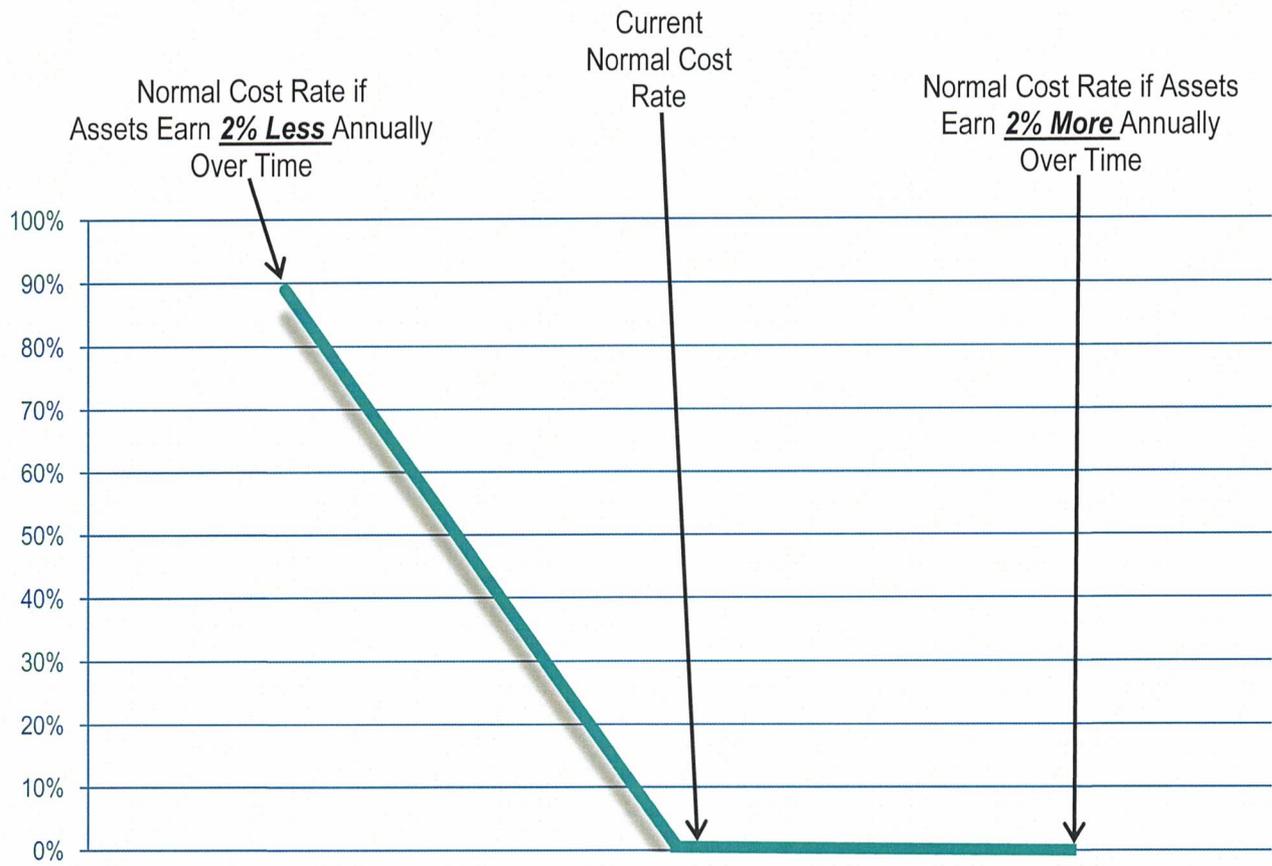
**Minimum Required Contribution for the 2025/26 Plan Year** **\$0**

Expected Payroll for the 2025/26 Plan Year	÷ \$138,112
Minimum Required Contribution as a % of Payroll	0.00%



Sensitivity Analysis

Table I-B



*The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.*



Gain and Loss Analysis

Table I-C

Previous normal cost rate	3.76%
Increase (decrease) due to investment gains and losses	-3.59%
Increase (decrease) due to demographic experience	-0.17%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>0.00%</u>



## Present Value of Future Benefits

## Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$2,154,559	\$2,154,559	\$2,154,559
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$2,154,559</b>	<b>\$2,154,559</b>	<b>\$2,154,559</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$184,720	\$184,720	\$184,720
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$184,720</b>	<b>\$184,720</b>	<b>\$184,720</b>
<i>Due a Refund of Contributions</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$504,926	\$504,926	\$504,926
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$501,763	\$501,763	\$501,763
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$1,006,689</b>	<b>\$1,006,689</b>	<b>\$1,006,689</b>
<i>Grand Total</i>	<b><u>\$3,345,968</u></b>	<b><u>\$3,345,968</u></b>	<b><u>\$3,345,968</u></b>
Present Value of Future Payroll	\$840,708	\$840,708	\$840,708
Present Value of Future Employee Contribs.	\$50,442	\$50,442	\$50,442
Present Value of Future Employer Contribs.	-\$56,737	-\$56,737	-\$56,737



## Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$1,650,538	\$1,650,538	\$1,650,538
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$1,650,538</b>	<b>\$1,650,538</b>	<b>\$1,650,538</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$184,720	\$184,720	\$184,720
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$184,720</b>	<b>\$184,720</b>	<b>\$184,720</b>
<i>Due a Refund of Contributions</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$504,926	\$504,926	\$504,926
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$501,763	\$501,763	\$501,763
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$1,006,689</b>	<b>\$1,006,689</b>	<b>\$1,006,689</b>
<i>Grand Total</i>	<b><u>\$2,841,947</u></b>	<b><u>\$2,841,947</u></b>	<b><u>\$2,841,947</u></b>
<i>Funded Percentage</i>	126.05%	126.05%	126.05%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



## Present Value of Vested Benefits

Table I-F

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$1,650,538	\$1,650,538	\$1,650,538
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$1,650,538</b>	<b>\$1,650,538</b>	<b>\$1,650,538</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$184,720	\$184,720	\$184,720
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$184,720</b>	<b>\$184,720</b>	<b>\$184,720</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$504,926	\$504,926	\$504,926
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$501,763	\$501,763	\$501,763
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$1,006,689</b>	<b>\$1,006,689</b>	<b>\$1,006,689</b>
<i><u>Grand Total</u></i>	<b><u>\$2,841,947</u></b>	<b><u>\$2,841,947</u></b>	<b><u>\$2,841,947</u></b>



## Entry Age Normal Accrued Liability

## Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$2,020,935	\$2,020,935	\$2,020,935
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$2,020,935</b>	<b>\$2,020,935</b>	<b>\$2,020,935</b>
<i>Deferred Vested Participants</i>			
Retirement benefits	\$184,720	\$184,720	\$184,720
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$184,720</b>	<b>\$184,720</b>	<b>\$184,720</b>
<i>Due a Refund of Contributions</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Deferred Beneficiaries</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Retired Participants</i>			
Service retirements	\$504,926	\$504,926	\$504,926
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$501,763	\$501,763	\$501,763
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$1,006,689</b>	<b>\$1,006,689</b>	<b>\$1,006,689</b>
<i>Grand Total</i>	<b><u>\$3,212,344</u></b>	<b><u>\$3,212,344</u></b>	<b><u>\$3,212,344</u></b>

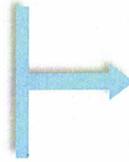


Actuarial Value of Assets

Table II-A

Market Value Rate of Return

For the 2020/21 plan year	20.02%
For the 2021/22 plan year	-13.39%
For the 2022/23 plan year	8.77%
For the 2023/24 plan year	20.02%



Average return for the preceding four years  
7.93%

Actuarial Value of Assets as of October 1, 2023	\$3,329,986
Plus contributions for the 2023/24 plan year	\$34,481
Minus benefit payments and administrative expenses for the 2023/24 plan year	(\$138,391)
Minus advance employer contribution	\$0
Adjustment for interest at the average rate shown above, but restricted to an amount that keeps the actuarial value of assets within an 80%-120% corridor of the market value	\$260,026
<b>Actuarial Value of Assets as of October 1, 2024</b>	<b><u>\$3,486,102</u></b>

<u>Historical Actuarial Value of Assets</u>	
October 1, 2015	\$2,294,727
October 1, 2016	\$2,362,832
October 1, 2017	\$2,481,966
October 1, 2018	\$2,610,323
October 1, 2019	\$2,811,312
October 1, 2020	\$2,926,832
October 1, 2021	\$3,191,862
October 1, 2022	\$3,292,796
October 1, 2023	\$3,329,986
October 1, 2024	\$3,486,102

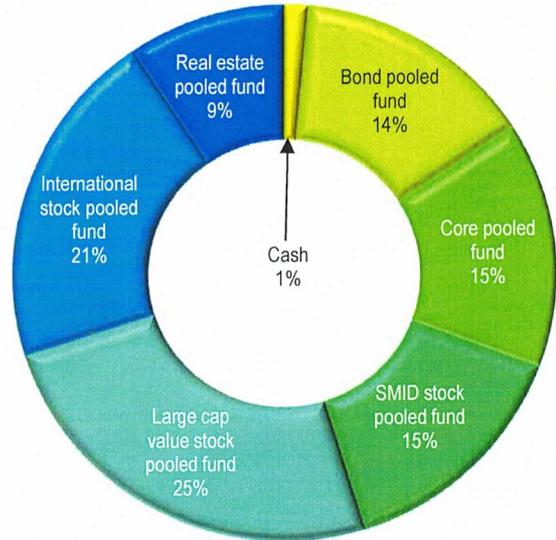


Market Value of Assets

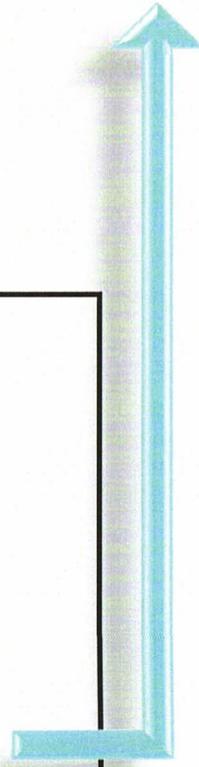
Table II-B

**As of October 1, 2024**

<b>Market Value of Assets</b>	<b><u>\$3,582,246</u></b>
Cash	\$50,151
Bond pooled fund	\$515,843
Core pooled fund	\$533,755
SMID stock pooled fund	\$519,426
Large cap value stock pooled fund	\$891,979
International stock pooled fund	\$734,361
Real estate pooled fund	\$336,731

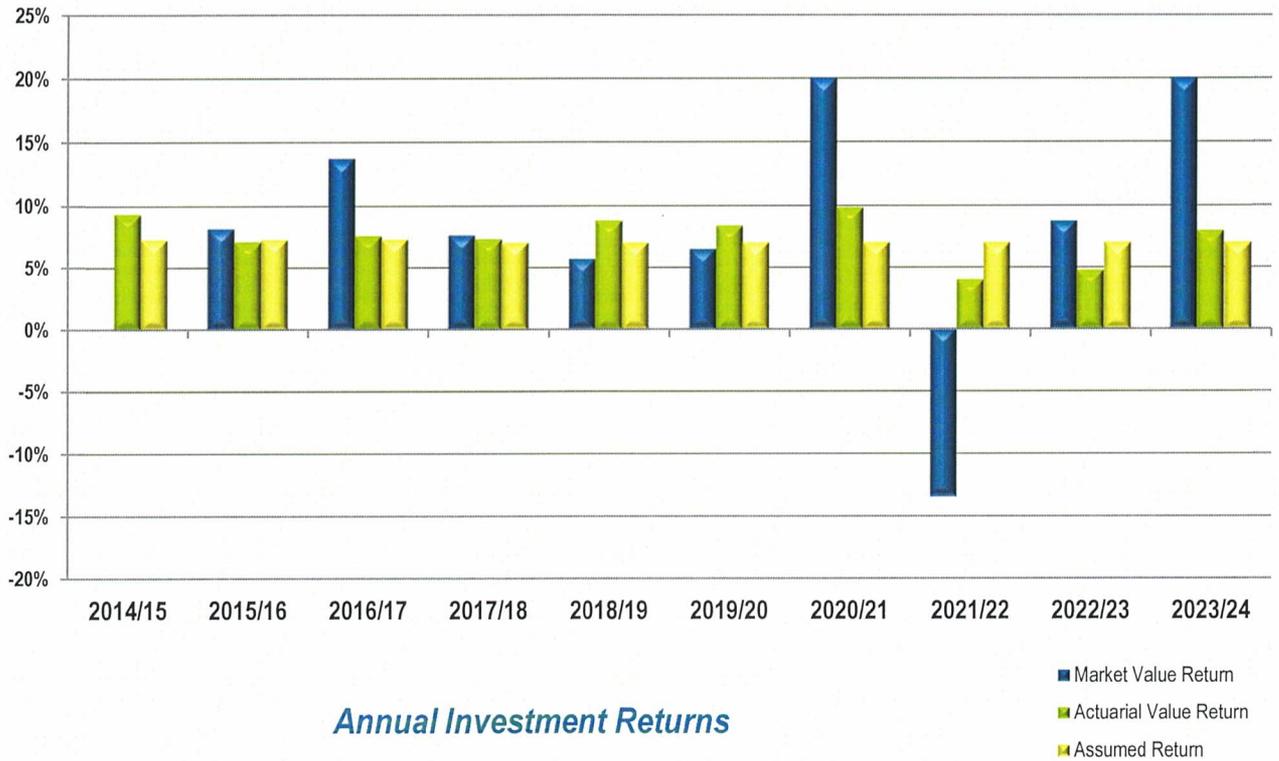


<b>Historical Market Value of Assets</b>	
October 1, 2015	\$2,205,007
October 1, 2016	\$2,285,725
October 1, 2017	\$2,614,946
October 1, 2018	\$2,681,022
October 1, 2019	\$2,866,237
October 1, 2020	\$2,875,022
October 1, 2021	\$3,427,007
October 1, 2022	\$2,943,276
October 1, 2023	\$3,079,942
October 1, 2024	\$3,582,246



Investment Return

Table II-C



*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2014/15	0.08%	9.31%	7.25%
2015/16	8.15%	7.09%	7.25%
2016/17	13.74%	7.55%	7.25%
2017/18	7.63%	7.29%	7.00%
2018/19	5.73%	8.77%	7.00%
2019/20	6.50%	8.35%	7.00%
2020/21	20.02%	9.82%	7.00%
2021/22	-13.39%	4.01%	7.00%
2022/23	8.77%	4.75%	7.00%
2023/24	20.02%	7.93%	7.00%
10yr. Avg.	7.31%	7.47%	7.07%



## Asset Reconciliation

## Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
<b>As of October 1, 2023</b>	<b>\$3,079,942</b>	<b>\$3,329,986</b>
<b><i>Increases Due To:</i></b>		
Employer Contributions	\$21,510	\$21,510
Employee Contributions	\$12,971	\$12,971
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$34,481</u>	<u>\$34,481</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$606,214	
Total Investment Income	<u>\$606,214</u>	\$260,026
Other Income	\$0	
<b>Total Income</b>	<u><b>\$640,695</b></u>	<u><b>\$294,507</b></u>
<b><i>Decreases Due To:</i></b>		
Monthly Benefit Payments	(\$125,542)	(\$125,542)
Refund of Employee Contributions	\$0	\$0
Total Benefit Payments	<u>(\$125,542)</u>	<u>(\$125,542)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$12,849)	(\$12,849)
Advance Employer Contribution		\$0
<b>Total Expenses</b>	<u><b>(\$138,391)</b></u>	<u><b>(\$138,391)</b></u>
<b>As of October 1, 2024</b>	<u><b>\$3,582,246</b></u>	<u><b>\$3,486,102</b></u>



## Historical Trust Fund Detail

## Table II-E

Income

Plan Year	Employer Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2014/15	\$172,758	\$10,080	\$0	\$0	\$0	\$1,788	\$0
2015/16	\$146,187	\$9,976	\$0	\$0	\$0	\$175,749	\$0
2016/17	\$253,534	\$10,111	\$0	\$0	\$0	\$315,027	\$0
2017/18	\$104,336	\$10,927	\$0	\$0	\$0	\$194,699	\$0
2018/19	\$262,022	\$11,296	\$0	\$0	\$0	\$154,504	\$0
2019/20	\$57,497	\$11,280	\$0	\$0	\$0	\$180,820	\$0
2020/21	\$116,012	\$11,831	\$0	\$0	\$0	\$573,346	\$0
2021/22	\$95,682	\$14,113	\$0	\$0	\$0	-\$457,198	\$0
2022/23	\$0	\$12,217	\$0	\$0	\$0	\$253,149	\$0
2023/24	\$21,510	\$12,971	\$0	\$0	\$0	\$606,214	\$0

Expenses

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Other Actuarial Adjustments Advance Employer Contribs.
2014/15	\$244,528	\$0	\$11,175	\$0	\$30,143
2015/16	\$240,519	\$0	\$10,675	\$0	-\$3,625
2016/17	\$237,655	\$0	\$11,796	\$0	\$71,336
2017/18	\$233,373	\$0	\$10,513	\$0	-\$77,862
2018/19	\$231,946	\$0	\$10,661	\$0	\$57,497
2019/20	\$229,887	\$0	\$10,925	\$0	-\$57,497
2020/21	\$137,514	\$0	\$11,690	\$0	\$0
2021/22	\$123,571	\$0	\$12,757	\$0	\$0
2022/23	\$116,562	\$0	\$12,138	\$0	\$0
2023/24	\$125,542	\$0	\$12,849	\$0	\$0

Note: Information was not available to separate the investment expenses from the investment income nor to separate the investment income by source after September 30, 2009.



## Other Reconciliations

Table II-F

**Advance Employer Contribution**

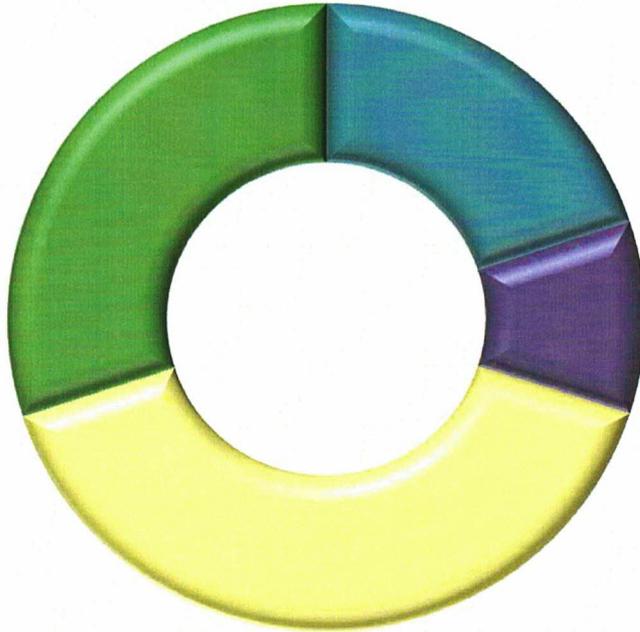
Advance Employer Contribution as of October 1, 2023	\$19,992
Additional Employer Contribution	\$21,510
Minimum Required Contribution	<u>(\$21,510)</u>
Net Increase in Advance Employer Contribution	\$0
Advance Employer Contribution as of October 1, 2024	<u><u>\$19,992</u></u>



Summary of Participant Data

Table III-A

As of October 1, 2024



*Participant Distribution by Status*

<u>Actively Employed Participants</u>		
◆	Active Participants	2
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	1
◆	Due a Refund of Contributions	0
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	4
◆	Disability Retirements	0
◆	Beneficiaries Receiving	3
<b>Total Participants</b>		<b>10</b>

Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2015	2	0	2	11	15
October 1, 2016	2	0	2	10	14
October 1, 2017	2	0	2	10	14
October 1, 2018	2	0	2	10	14
October 1, 2019	2	0	2	10	14
October 1, 2020	2	0	2	8	12
October 1, 2021	2	0	2	7	11
October 1, 2022	2	0	2	7	11
October 1, 2023	2	0	2	6	10
October 1, 2024	2	0	1	7	10



Data Reconciliation

Table III-B

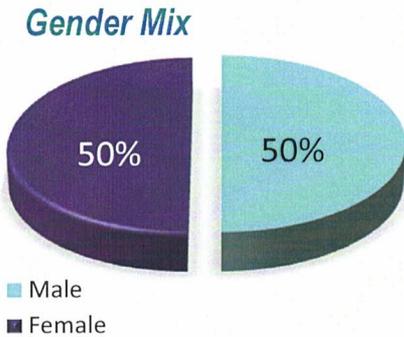
	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2023</u>	2	0	2	0	0	3	0	3	10
<u>Change in Status</u>									
Re-employed									
Terminated									
Retired			(1)			1			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired									
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2024</u>	2	0	1	0	0	4	0	3	10



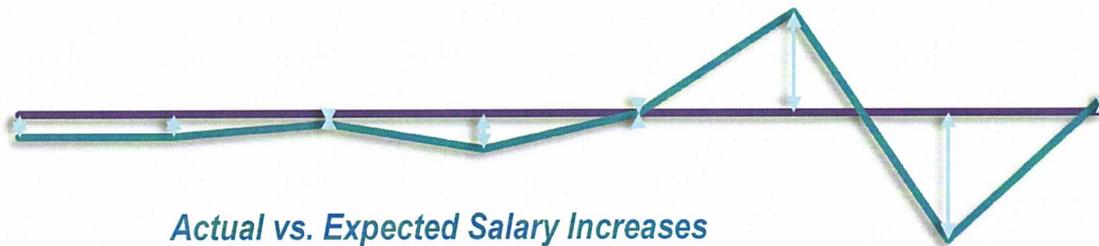
Active Participant Data

Table III-C

As of October 1, 2024



Average Age	61.0 years
Average Service	32.0 years
Total Annualized Compensation for the Prior Year	\$216,176
Total Expected Compensation for the Current Year	\$131,535
Average Increase in Compensation for the Prior Year	7.07%
Expected Increase in Compensation for the Current Year	5.00%



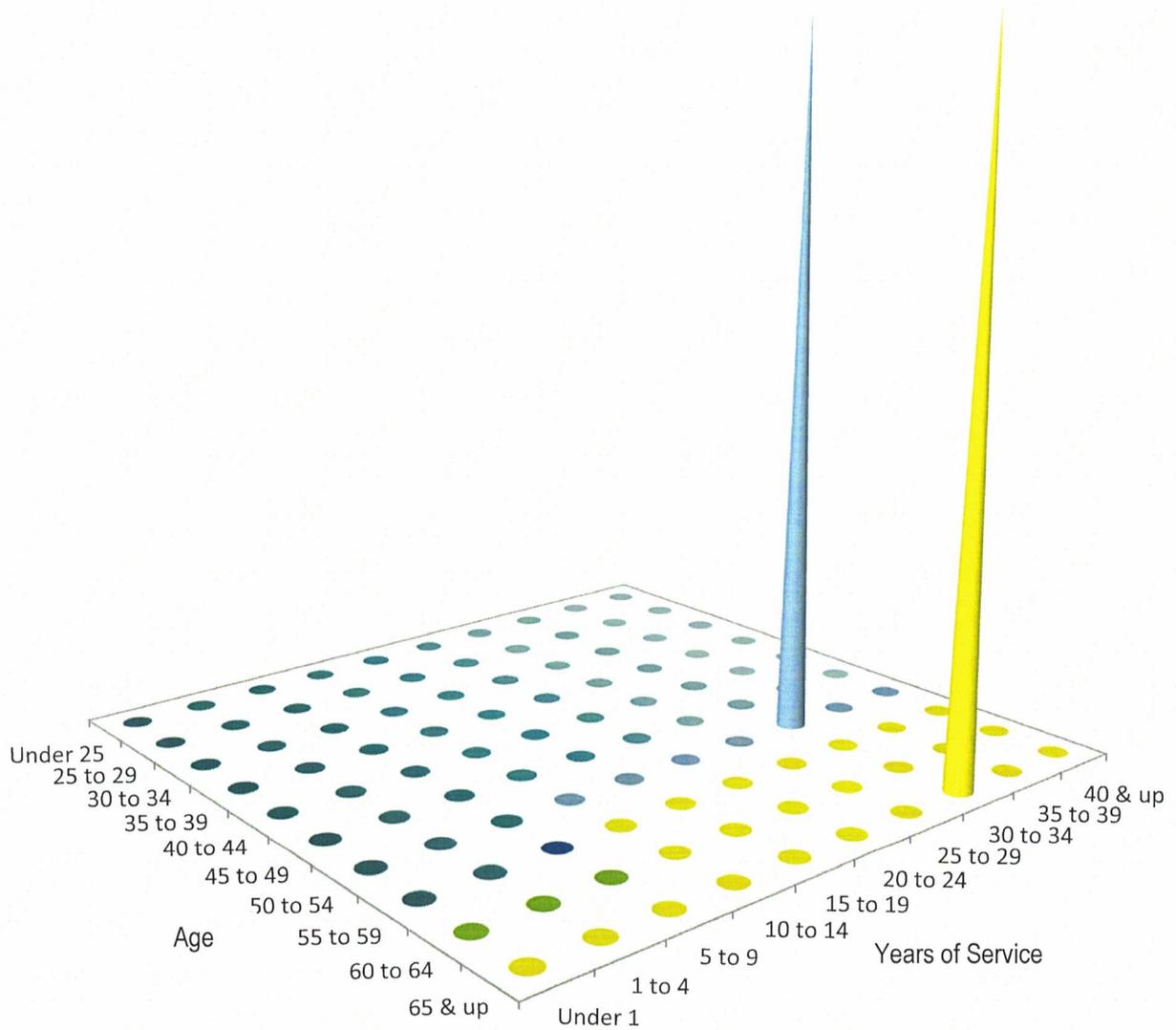
**Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2015	52.0	23.0	\$84,003	5.00%	5.69%
October 1, 2016	53.0	24.0	\$83,134	5.00%	0.14%
October 1, 2017	54.0	25.0	\$84,260	5.00%	1.59%
October 1, 2018	55.0	26.0	\$91,060	5.00%	1.59%
October 1, 2019	56.0	27.0	\$94,136	5.00%	3.44%
October 1, 2020	57.0	28.0	\$93,996	5.00%	-0.40%
October 1, 2021	58.0	29.0	\$98,610	5.00%	4.90%
October 1, 2022	59.0	30.0	\$117,605	5.00%	20.27%
October 1, 2023	60.0	31.0	\$101,806	5.00%	-14.24%
October 1, 2024	61.0	32.0	\$108,088	5.00%	7.07%



# Active Age-Service Distribution

Table III-D



▲ Eligible to retire  
▲ May be eligible to retire  
▲ Not eligible to retire



## Active Age-Service-Salary Table

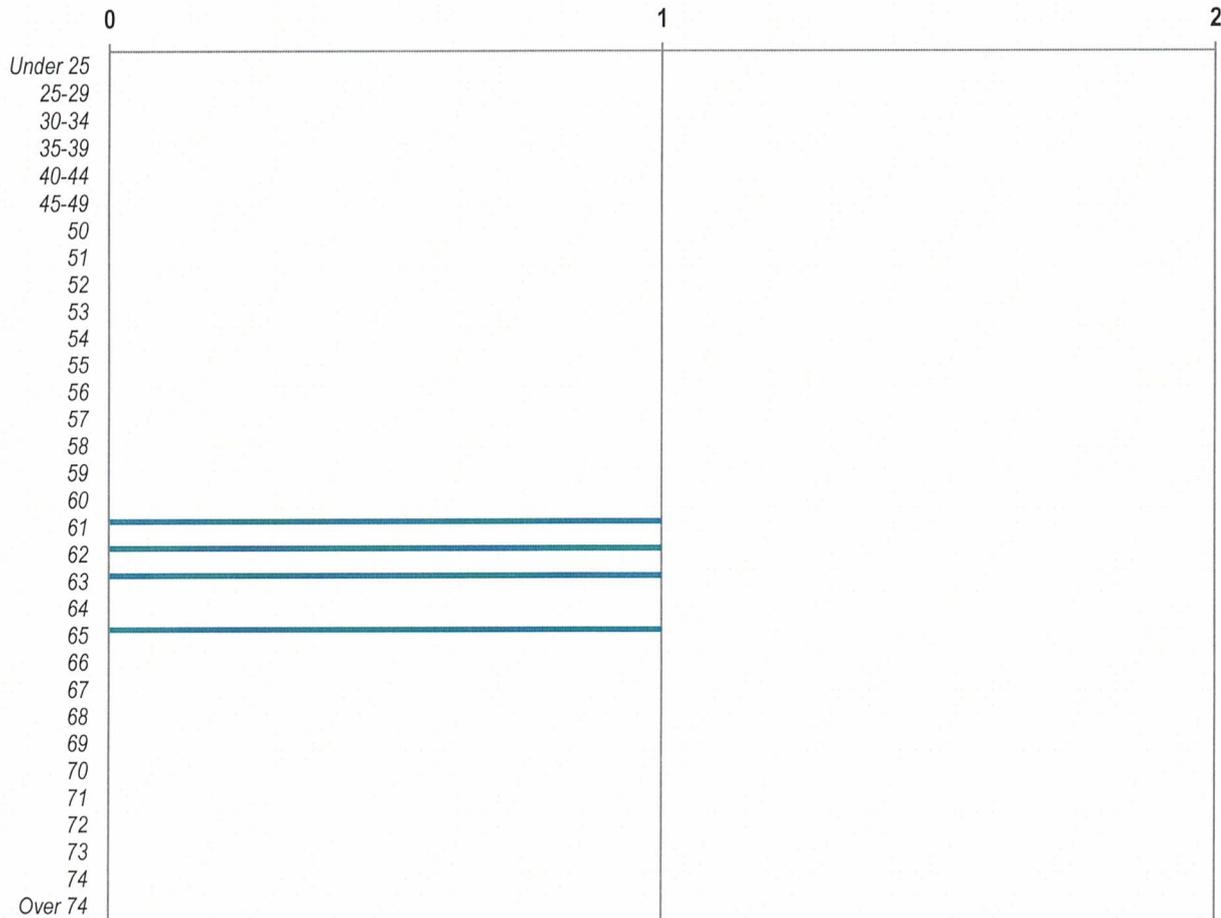
Table III-E

Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0	0	0	1	0	0	1
Avg.Pay	0	0	0	0	0	0	0	0	125,272	0	0	125,272
55 to 59	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
65 & up	0	0	0	0	0	0	0	0	1	0	0	1
Avg.Pay	0	0	0	0	0	0	0	0	90,904	0	0	90,904
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
Avg.Pay	0	0	0	0	0	0	0	0	108,088	0	0	108,088



Inactive Participant Data

Table III-F



**Age at Retirement**

- Service Retirements
- Disability Retirements
- DROP Participants

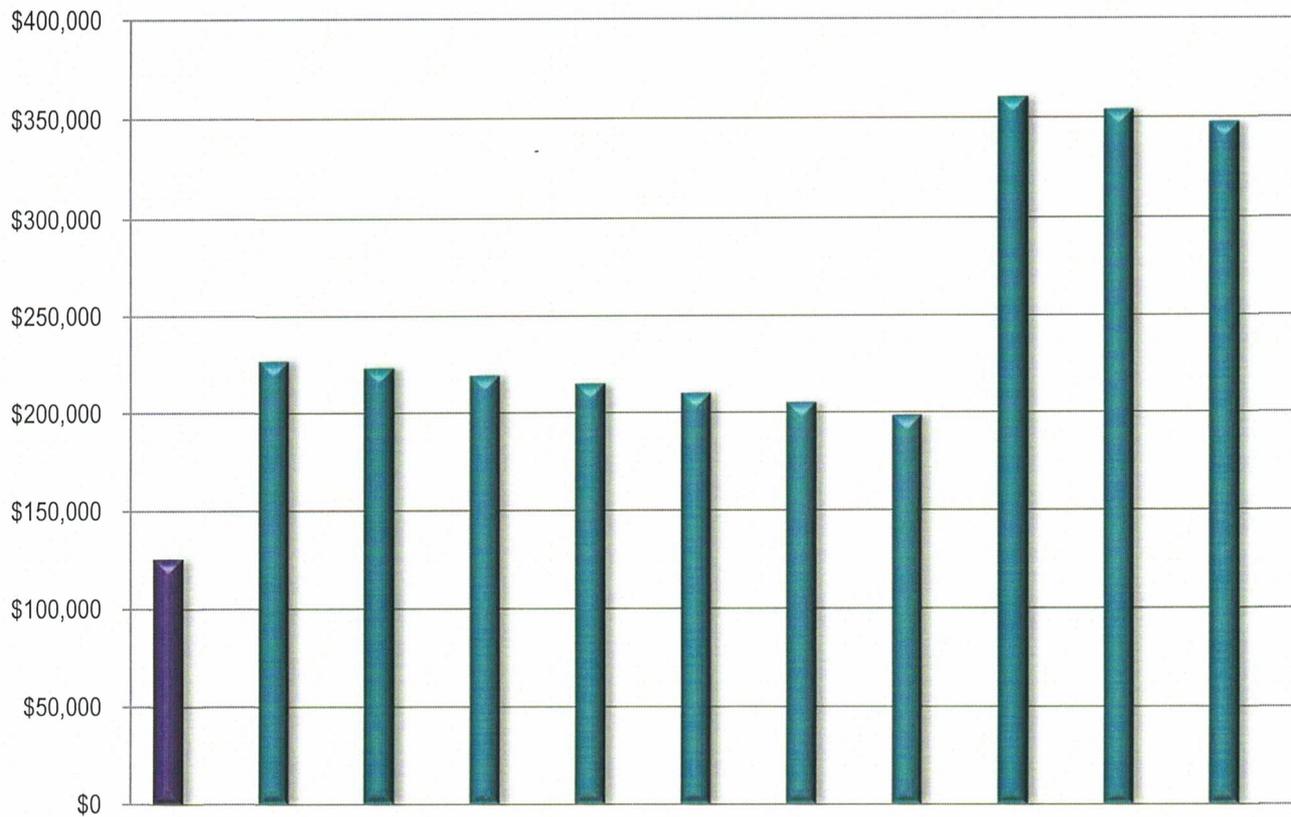
Average Monthly Benefit

Service Retirements	\$1,202.52
Disability Retirements	Not applicable
Beneficiaries Receiving	\$1,980.05
DROP Participants	Not applicable
Deferred Vested Participants	\$1,317.00
Deferred Beneficiaries	Not applicable



## Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2023 through September 30, 2024

\$125,542

Projected

For the period October 1, 2024 through September 30, 2025

\$226,749

For the period October 1, 2025 through September 30, 2026

\$223,218

For the period October 1, 2026 through September 30, 2027

\$219,321

For the period October 1, 2027 through September 30, 2028

\$215,033

For the period October 1, 2028 through September 30, 2029

\$210,350

For the period October 1, 2029 through September 30, 2030

\$205,248

For the period October 1, 2030 through September 30, 2031

\$198,644

For the period October 1, 2031 through September 30, 2032

\$360,607

For the period October 1, 2032 through September 30, 2033

\$354,266

For the period October 1, 2033 through September 30, 2034

\$347,685



## Summary of Actuarial Methods and Assumptions

## Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

**1. Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

**2. Asset Method**

The actuarial value of assets is equal to the market value of assets, adjusted to reflect a four-year phase-in of the net investment appreciation.

**3. Interest (or Discount) Rate**

7.00% per annum

**4. Salary Increases**

Plan compensation is assumed to increase at the rate of 5.00% per annum, unless actual plan compensation is known for a prior plan year. In addition, the otherwise determined plan compensation during the final year of employment has been loaded by 20% to account for non-regular compensation.

**5. Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year
- Post-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year



## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

**5. Decrements (continued)**

- Disability: None is assumed.
- Termination: None is assumed.
- Retirement: Retirement is assumed to occur at normal retirement age.

**6. Form of Payment**

Future retirees have been assumed to select the 10-year certain and life annuity.

**7. Expenses**

The total projected benefit liability has been loaded by 4.00% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



## Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

The following additional assumption and method changes were made during the past 10 years:

- (1) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (2) *Effective October 1, 2017, the interest (or discount) rate was decreased from 7.25% per annum to 7.00% per annum.*
- (3) *Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*
- (4) *Effective October 1, 2014, the assumed retirement age was changed from the most valuable retirement age to the normal retirement age.*



## Summary of Plan Provisions

## Table V-A

**1. Benefit Formula**

2.50% of average monthly earnings multiplied by credited service

**2. Service Retirement**

Normal retirement: Age 62

Early retirement: Age 55 with at least 10 years of credited service

*Note: In the case of early retirement, the participant's benefit is reduced by  $\frac{1}{180}$  for each of the first 60 months and by  $\frac{1}{360}$  for each of the next 24 months by which the participant's early retirement age precedes his normal retirement age.*

**3. Disability Retirement**

Participant must become totally and permanently disabled prior to his termination of employment as determined by the pension board.

The disability benefit is a monthly 10-year certain and life annuity equal to the participant's monthly accrued benefit, but offset as necessary to preclude the total of the participant's worker's compensation, 50% of the participant's social security disability benefit, and any other City-provided disability compensation from exceeding his final monthly salary excluding overtime. For this purpose, the amount of any lump sum worker's compensation payment is converted to an equivalent monthly benefit payable for 10 years certain by dividing the lump sum amount by 83.9692.

A disabled participant may elect the single life annuity or a joint and contingent annuity in lieu of the 10-year certain and life form of payment. Regardless of the form of payment, benefits cease upon the participant's recovery from his disability prior to his normal retirement date.

**4. Deferred Vested Retirement**

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit equal to the vested portion of his accrued monthly benefit payable at the participant's early or normal retirement age. If the benefit is payable prior to normal retirement age, then the benefit is reduced by  $\frac{1}{15}$  for each of the first 60 months and by  $\frac{1}{30}$  for each of the next 24 months by which the participant's early retirement age precedes his normal retirement age.

A non-vested participant who terminates employment receives his accumulated contributions.



## Summary of Plan Provisions

## Table V-A

(continued)

**5. Vesting**

A participant becomes 100% vested upon the attainment of 10 years of credited service. Alternatively, a participant becomes partially vested upon the attainment of five years of credited service in accordance with the following table:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than five	0%
At least five, but less than six	25%
At least six, but less than seven	40%
At least seven, but less than eight	55%
At least eight, but less than nine	70%
At least nine, but less than 10	85%
At least 10	100%

**6. Pre-Retirement Death Benefit**

If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain annuity equal to the participant's monthly accrued benefit, payable beginning at the participant's early or normal retirement age. Alternatively, the beneficiary may elect to receive an actuarially equivalent immediate 10-year certain annuity or any one of the optional forms of payment that would otherwise be available to the participant. The pension board may elect to pay the pre-retirement death benefit as a single lump sum if the monthly benefit is less than \$100.00 or the lump sum value is \$5,000.00 or less.

If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

**7. Form of Payment**

Actuarially increased single life annuity (*optional*);

10-year certain and life annuity (*normal form of payment*);

Actuarially reduced 50% joint and contingent annuity (*optional*);

Actuarially reduced 66⅔% joint and contingent annuity (*optional*);

Actuarially reduced 75% joint and contingent annuity (*optional*);



## Summary of Plan Provisions

## Table V-A

(continued)

Actuarially reduced 100% joint and contingent annuity (*optional*);

Actuarially adjusted social security level-income annuity (*optional*); or

Actuarially equivalent single lump sum distribution (*only available at the discretion of the pension board if the single sum value of the participant's benefit is less than or equal to \$5,000.00 or the monthly annuity is less than \$100.00*)

*(Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment provided that the participant and his previous joint annuitant were married at the time of retirement and were subsequently divorced and if the previous joint annuitant is still living at the time of the change.)*

**8. Average Monthly Earnings**

Average monthly earnings during the highest three consecutive years out of the last five years of compensation immediately preceding the determination or career average earnings if higher. Earnings include total cash remuneration for services rendered. Earnings cannot exceed the maximum amount allowed under IRC section 401(a)(17).

**9. Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. For purposes of calculating the amount of a participant's benefit, credited service excludes periods during which the participant does not make the required employee contribution.

**10. Employee Contribution**

Employees must contribute 6.00% of earnings. Employee contributions (other than those employee contributions which are used to purchase credited service) are accumulated with interest at the rate of 6.00% per annum.

**11. City Contribution**

The City is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.



## Summary of Plan Provisions

## Table V-A

(continued)

**12. Participant Requirement**

All regular full-time general employees of the City of Palm Beach Gardens who were hired prior to February 7, 1997 became a participant in the plan as of their date of hire. No employees hired after February 6, 1997 are eligible to participate.

**13. Actuarial Equivalence**

Based on 8.00% interest per annum and the 1983 Group Annuity Mortality Table, blended 50%/50% for males and females

**14. Plan Effective Date**

The plan was originally effective on December 20, 1982.



## Summary of Plan Amendments

## Table V-B

No significant plan amendments were adopted since the completion of the previous valuation.

