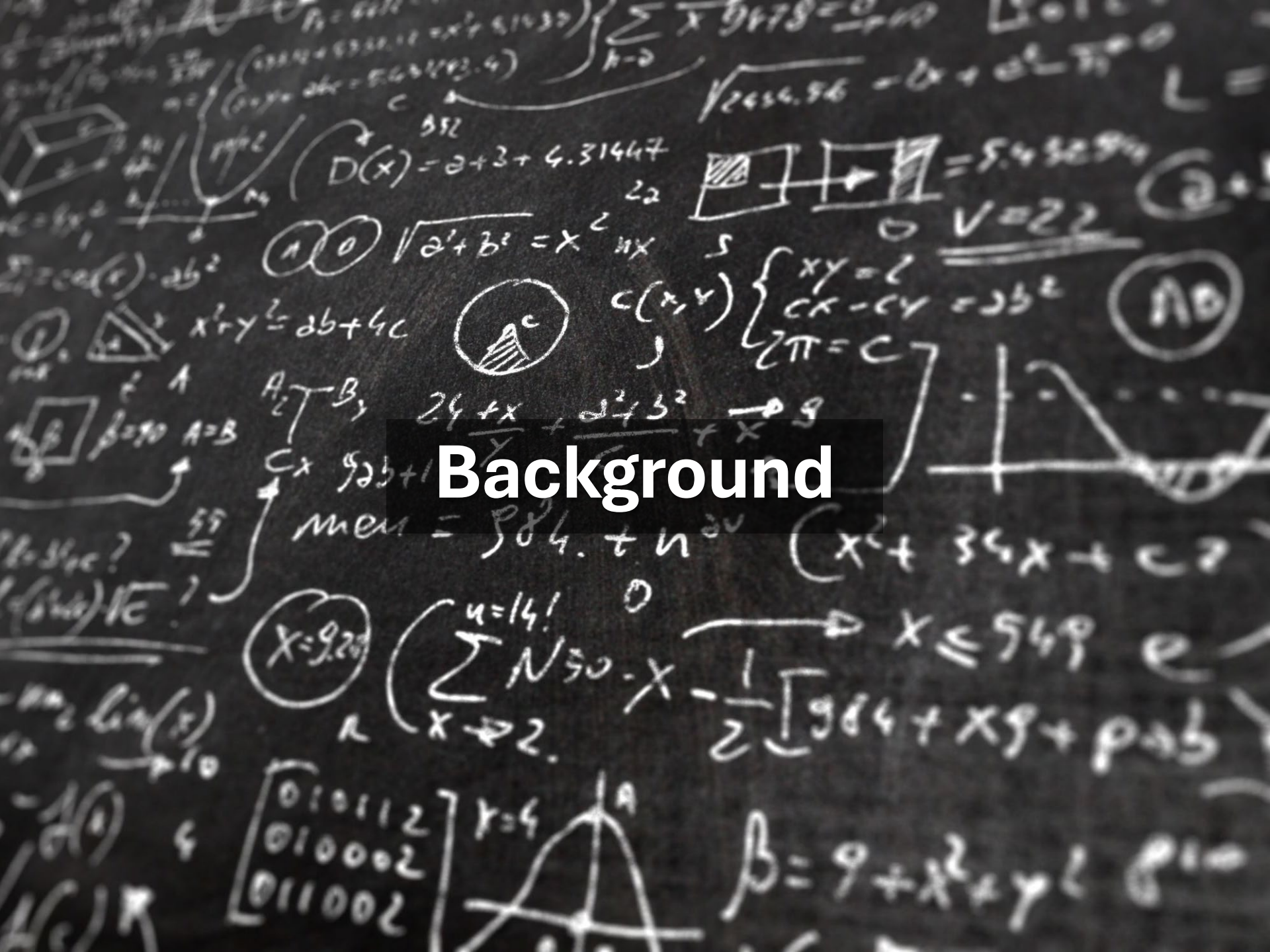
Florida GFOA Webinar

Pensions & OPEB Refresher

November 20, 2025

Topics

Background
Concepts and Definitions
Measuring the Liability
Measuring the Expense & Deferrals
Employers in Cost-Sharing Plans
Special Funding Situations
Reporting in Financial Statements
Note Disclosures
RSI Schedules
Q & A


Background

History of the Pension & OPEB Standards

Pensions

- GASB Statements 67 (for plan reporting) and 68 (for employers) were issued in June 2012
- Statement 67 was effective beginning June 30, 2014
- Statement 68 was effective beginning June 30, 2015

Other Postemployment Benefits (OPEB)

- GASB Statements 74 (for plan reporting) and 75 (for employers) were issued in June 2015
- Statement 74 was effective beginning June 30, 2017
- Statement 75 was effective beginning June 30, 2018

History of the Standards (continued)

The standards have been amended several times to address issues that arose during their implementation and to encompass pension plans not administered through a qualifying trust

The current standards can be found in GASB Codification Sections:

P20 (DB pensions in trusts)
P21 (DC pensions in trusts)
P22 (DB pensions not in trusts)
P23 (DB pension assets not in trusts)
P24 (DC pensions not in trusts)
Pe5 (DB pension plans in trusts)
Pe6 (DC pension plans in trusts)

P50 (DB OPEB in trusts)
P51 (DC OPEB in trusts)
P52 (DB OPEB not in trusts)
P53 (DB OPEB assets not in trusts)
P54 (DC OPEB not in trusts)
Po50 (DB OPEB plans in trusts)
Po51 (DC OPEB plans in trusts)

GASB Post-Implementation Review (PIR)

Starting with the issuance of the standards in 2012 and ending with a report in 2023, the GASB evaluated the experience in practice with their implementation and ongoing application

- Issued two Implementation Guides with 371 Q&As and published or amended another 84 in other IGs
- Issued Statements 71, 78, and 82 to address practice issues
- Made over 350 presentations and answered over 2,100 technical inquiries
- Conducted research with over 330 preparers, auditors, and users
- Analyzed the financial statements of and surveyed 102 pension plans and 236 governments participating in 456 plans

GASB Pensions PIR (continued)

GASB concluded that overall, Statements 67 and 68 resolved the primary issues that prompted their issuance, and that they were functioning properly in practice

Due to the complexity of the standards, there continues to be disagreement among stakeholders regarding key aspects

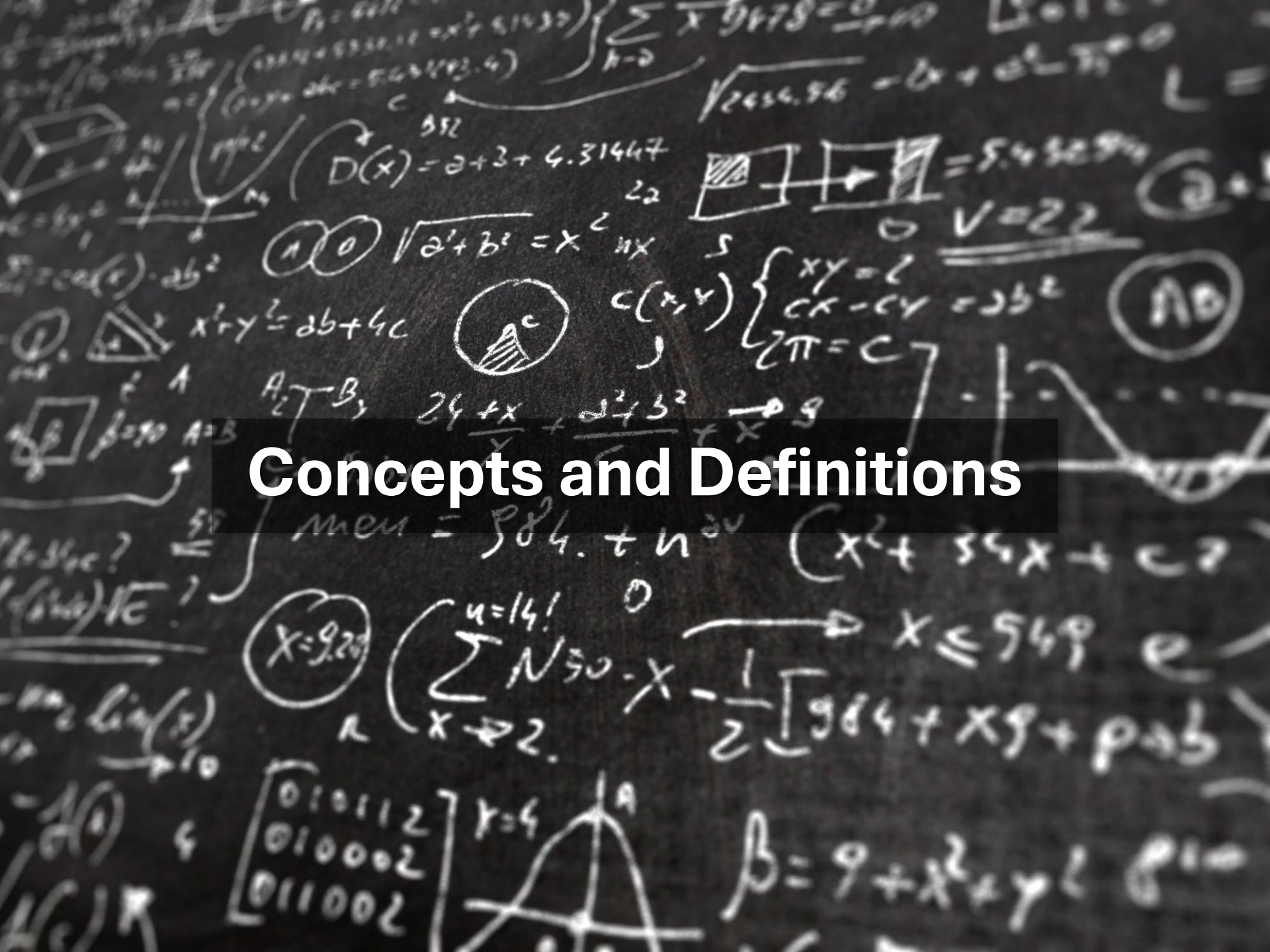
- **However, those areas of disagreement were considered during the development of the standards**

GASB Pensions PIR (continued)

A number of areas of concern were identified by stakeholders, including:

- Layering of annual deferrals
- Closed and frozen plans
- Volatility in the measurement of the liability from year to year resulting from (among other things) changes in investment fair values moving the crossover point, and estimations of and changes in cost-sharing proportionate shares
- Determining which factors between the actuarial valuation and measurement dates require update procedures
- Distinguishing between qualified trusts and equivalent arrangements
- Determining how and when to choose a 20-year municipal bond rate
- Determining when ad hoc COLAs are substantively automatic

Those issues generally were expected



Concepts and Definitions

Pensions & Other Postemployment Benefits

Pensions are:

- Retirement income
- Postemployment benefits provided through a pension plan other than postemployment healthcare benefits – e.g., life insurance, disability, death benefits

Other postemployment benefits (OPEB) are:

- Benefits other than retirement income
- Provided separately from a pension plan

Defined Contribution (DC) Plans

Provide an individual account for each employee

Define the contribution that an employer is required to make (or credits to provide) to an active employee's account

Provide benefits that depend solely on:

- Contributions (credits) to the employee's account
- Earnings on the investment of those contributions
- Effects of forfeitures made for other employees, and
- Plan administrative costs allocated to the employee's account

Defined Benefit (DB) Plans

Plans that do not meet the criteria of a DC plan are considered DB plans

A DB plan specifies the income or other benefits that an employee will receive at or after separation from employment

Income or benefits to be received may be stated as a specified dollar amount or an amount calculated based on one or more factors (e.g., age, years of service, compensation, etc.)

Single- and Multiple-Employer Plans

A **single-employer plan** provides benefits to the employees of only one employer

- Employer is defined to include a primary government and its component units

A **multiple-employer plan** provides benefits to the employees of more than one employer

An **agent multiple-employer** plan pools assets for investment purposes but maintains separate accounts for each individual employer – benefits are paid to employees only from their employer's account

A **cost-sharing multiple-employer** plan pools assets for both investment purposes and to pay the benefits of employees of any participating employer

Polling Question 1

The GASB pension and OPEB standards (and this webinar) primarily focus on what type of retirement benefit plan?

a. Defined benefit
b. Defined contribution
c. Hybrid
d. None of the above

“Qualified” or “Qualifying” Trusts

The applicable standards depend in part on whether the plan is administered through a trust (or equivalent arrangement) that meets all three of the following criteria:

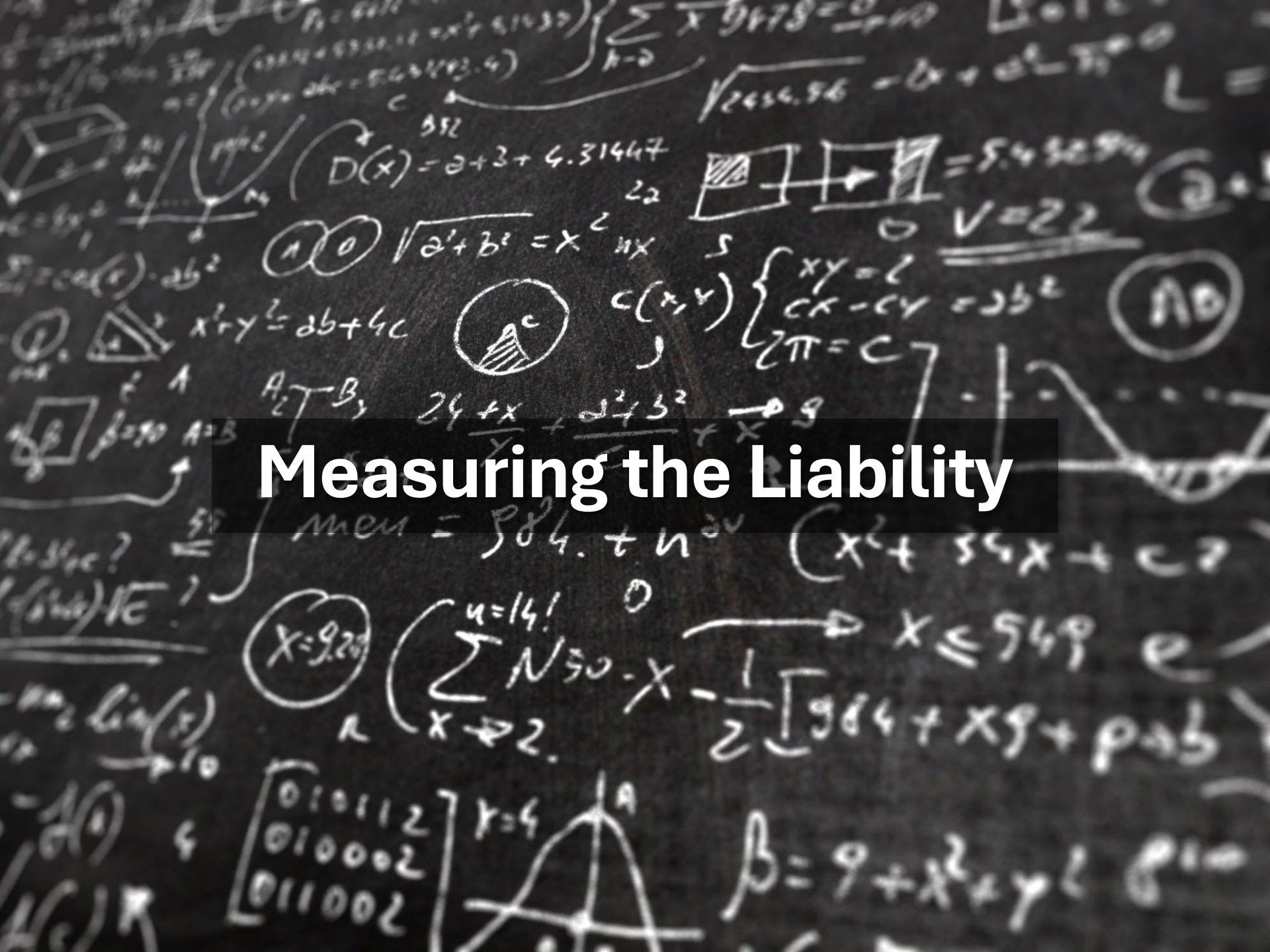
- Contributions to the plan from employers and nonemployer contributing entities and earnings on those contributions are irrevocable
- Plan assets are dedicated to providing benefits to plan members
- Plan assets are legally protected from creditors of the employers, nonemployer contributing entities, plan administrator, and (for DB plans) members

Special Funding Situations

A special funding situation involves an entity other than the employer (the nonemployer contributing entity or NECE) is legally responsible for contributing directly to a plan for another entity's employees, if either of the following criteria are met:

- The NECE is the only entity legally required to make contributions directly to the plan, *and/or*
- Contributions are not dependent on events or circumstances unrelated to the pensions (e.g., the NECE must contribute a specific percentage of the employer's payroll or required contributions)

The standards address these circumstances from the perspectives of both the employer and the NECE



Measuring the Liability

Sources of the Total Pension/OPEB Liability

Total pension/OPEB liability arises from the promise to make pension payments to retirees and premium payments to insurance companies on behalf of retirees

Similar to a bond – liabilities are derived from a stream of future cash-flows

Unlike a bond – future pension/OPEB cashflows are not pre-determined

Pensions vs. OPEB

Similarity: Pensions and OPEB provide benefits after retirement

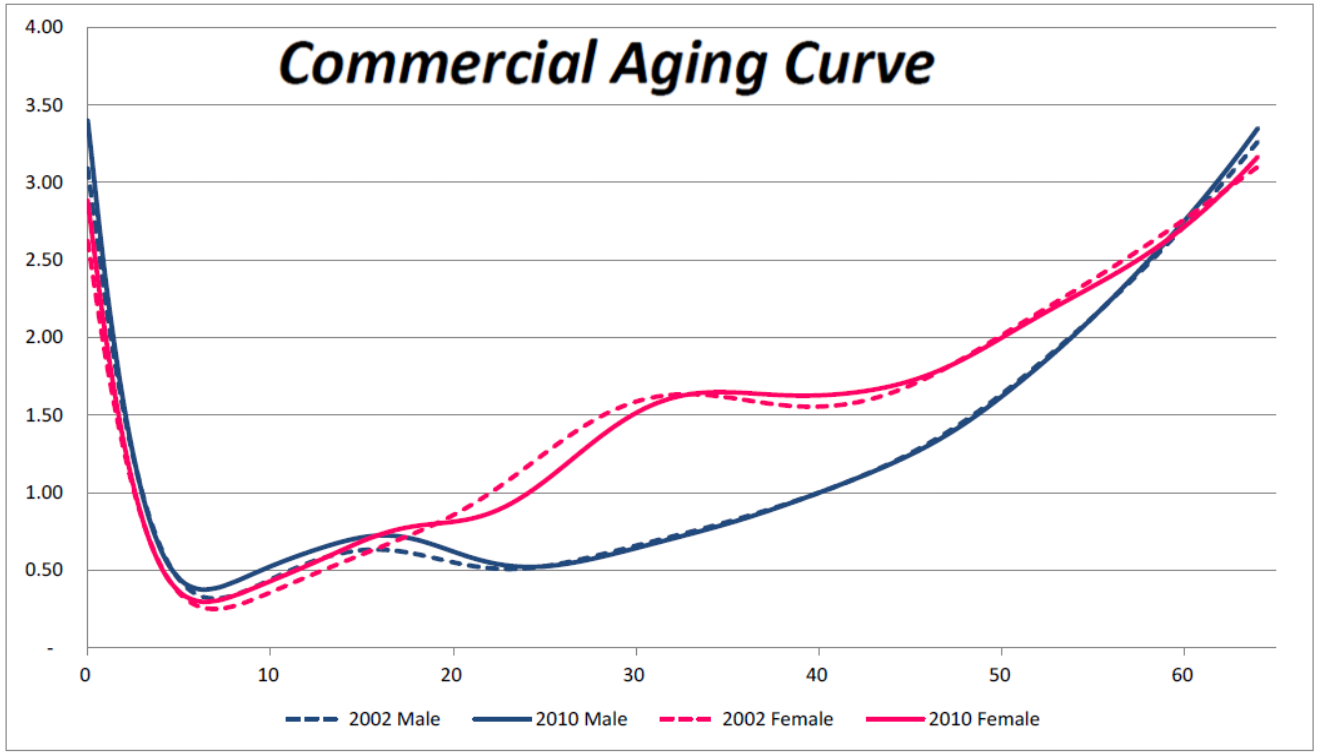
Unlike OPEB, pension benefits are typically well defined in advance

OPEB may include a well-defined direct premium subsidy in addition to implicit subsidies

OPEB: Implicit Subsidy

A cross-subsidy between different cohorts of covered population

Caused by age-related cost increases



Source: Dale H. Yamamoto, *Health Care Costs—From Birth to Death*, SOA, 2013 Data from Health Care Cost Institute

OPEB: Implicit Subsidy Example

Assume Average Blended Annual Cost: $9,000

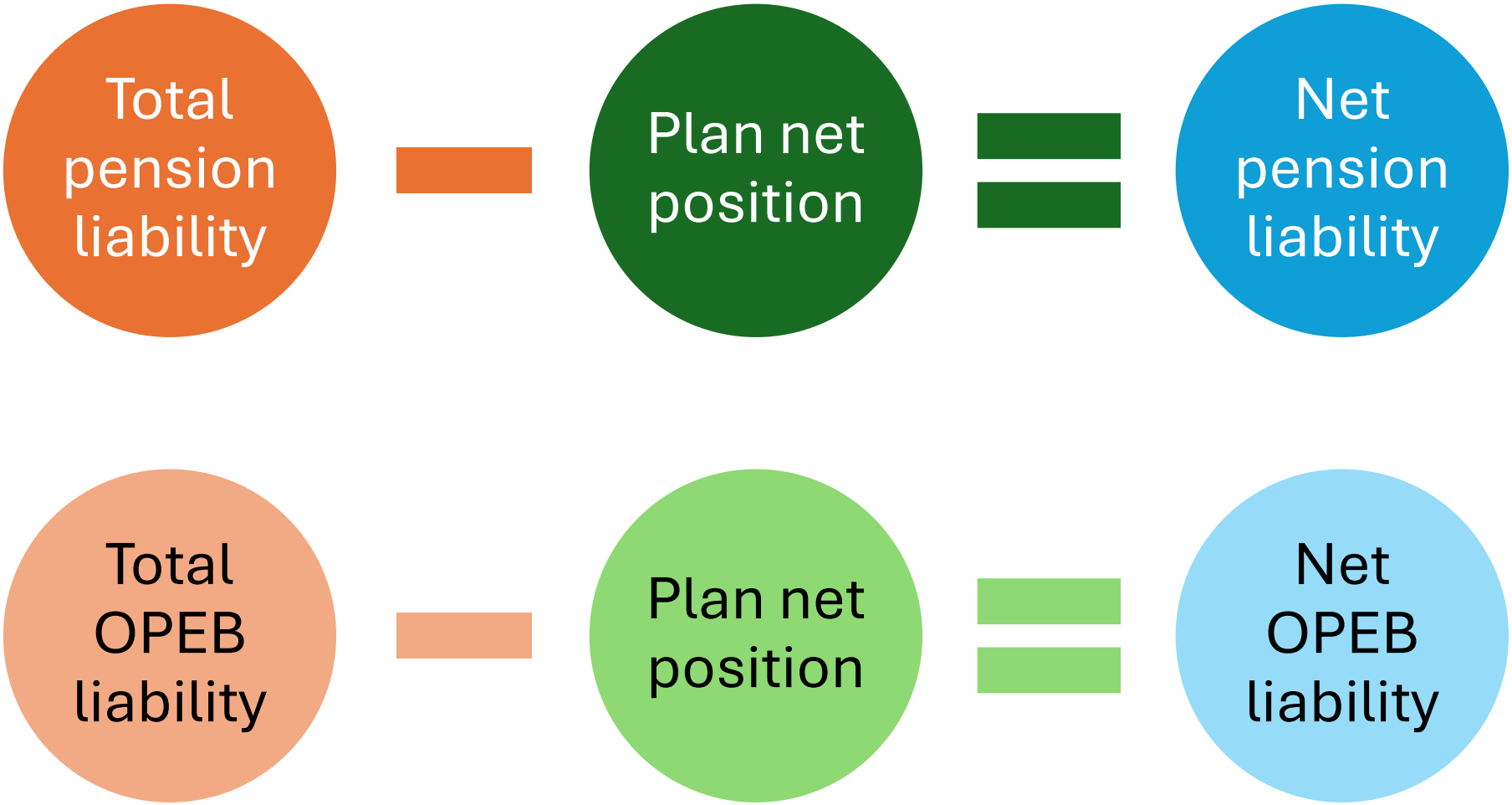
Average Annual Retiree Cost: $14,495 or 161% of the blended average

- Based on a distribution of employees and retirees for a typical "implicit-only" OPEB (approximately 1 retiree per 25 active employees)
- Retiree pays the "full" premium
- Average retiree costs $5,495 per year in excess of premiums paid

Active Employee Cost: $8,769 or 97% of the blended average

- $231 of the amount contributed by the employer for each active employee is applied towards the retiree cost not covered by premiums collected from retirees

Calculating the Net Liability

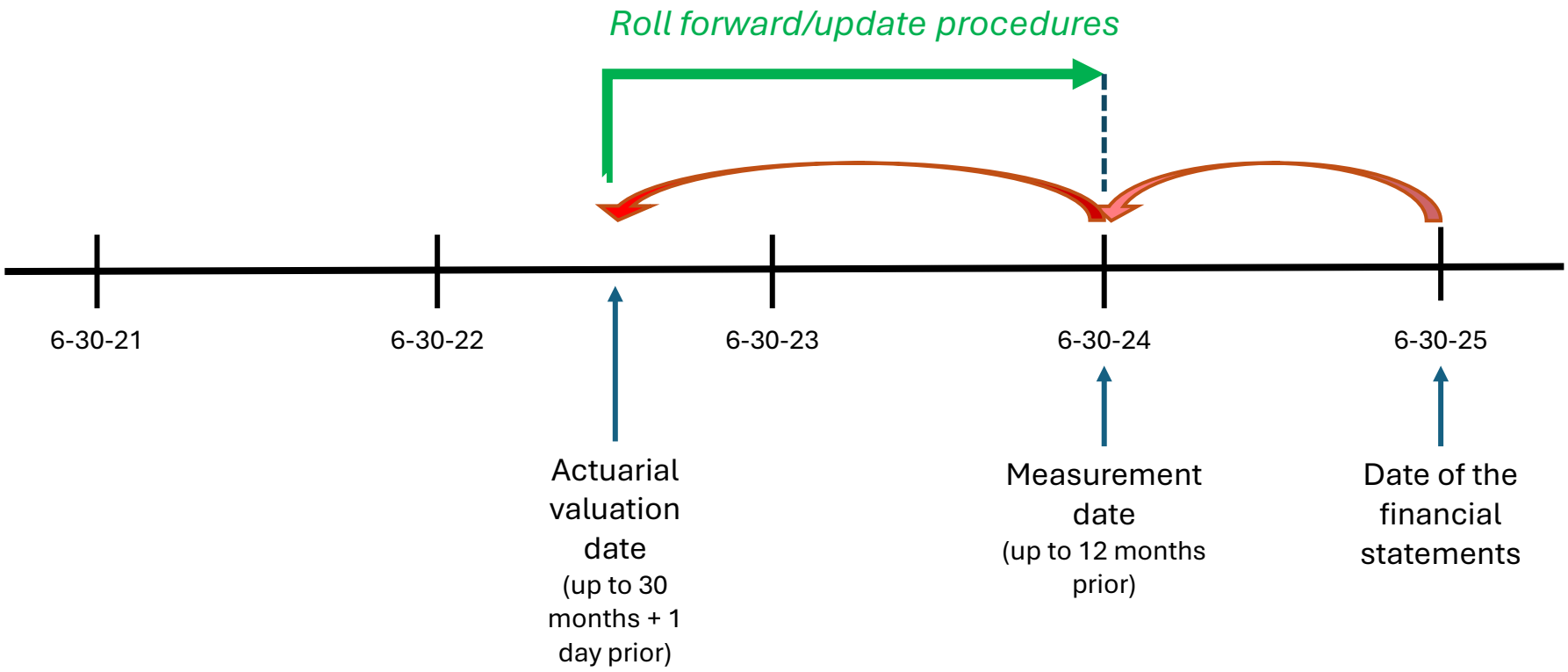


Polling Question 2

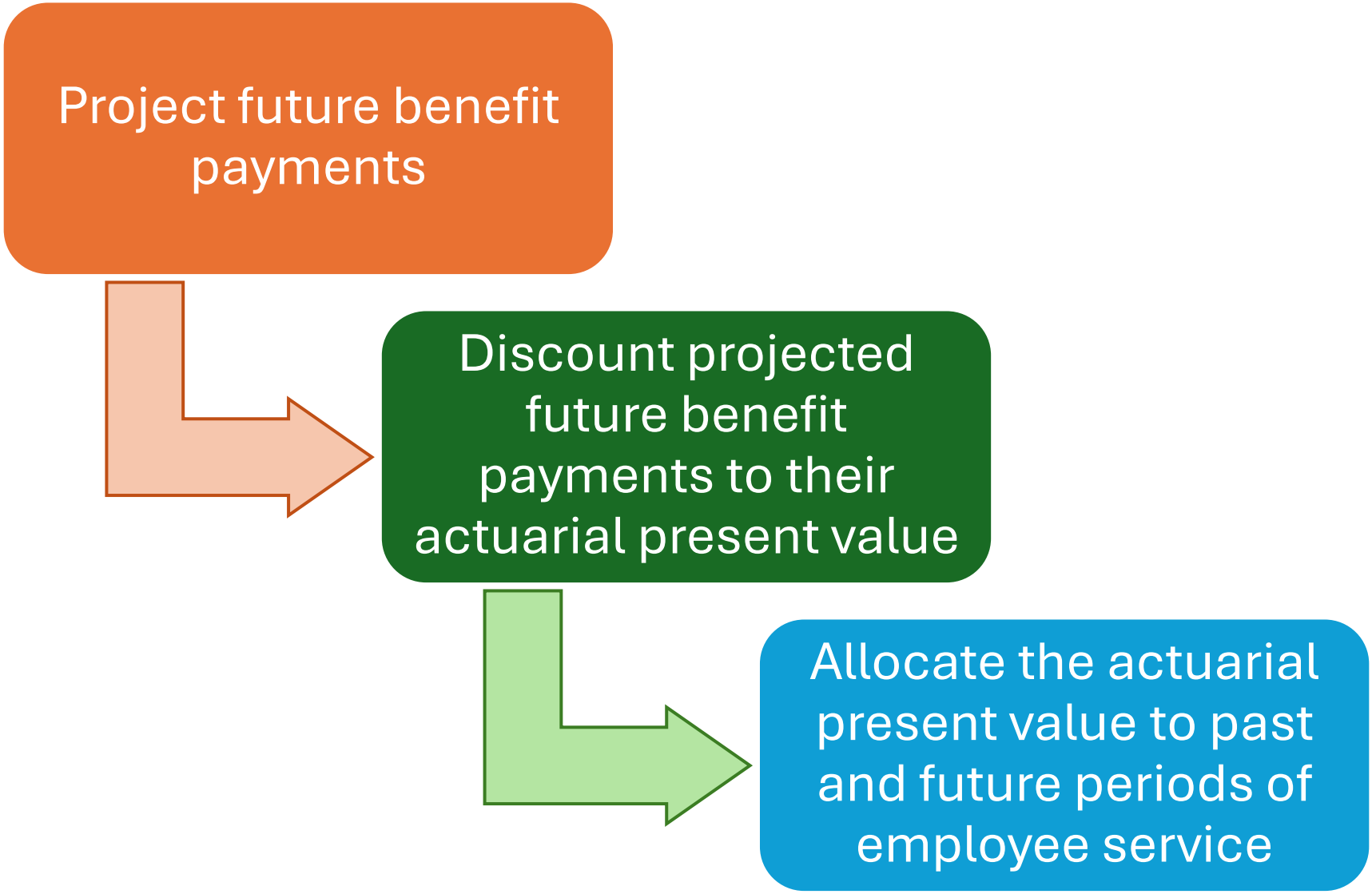
In the context of a special funding situation, “NECE” stands for:

a. Nongovernmental entity cost-sharing employer
b. Nonexchange commodity enterprise
c. Nonemployer contributing entity
d. None of the above

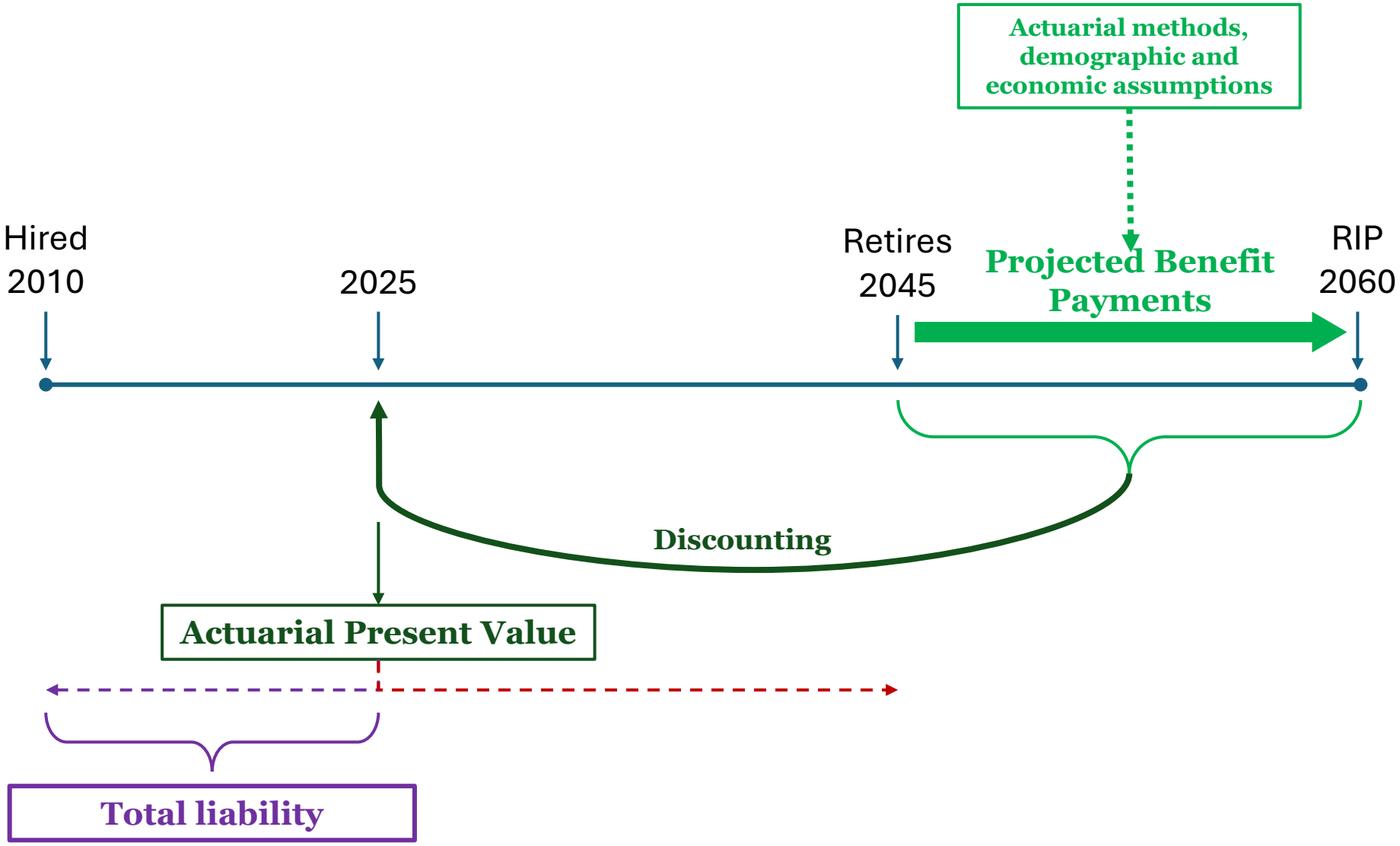
Measurement Date and Valuation Date



Measurement Steps, Broadly Speaking



Calculating the Pension & OPEB Liabilities



Assumptions

All assumptions used in determining the total liability and related measures should be made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board

For this purpose, a *deviation from ASOPs*, as the term is used in ASOPs, should not be considered to be in conformity with the preceding requirement

The plan, employer, and governmental NECEs that contribute to the pension plan should use the same assumptions

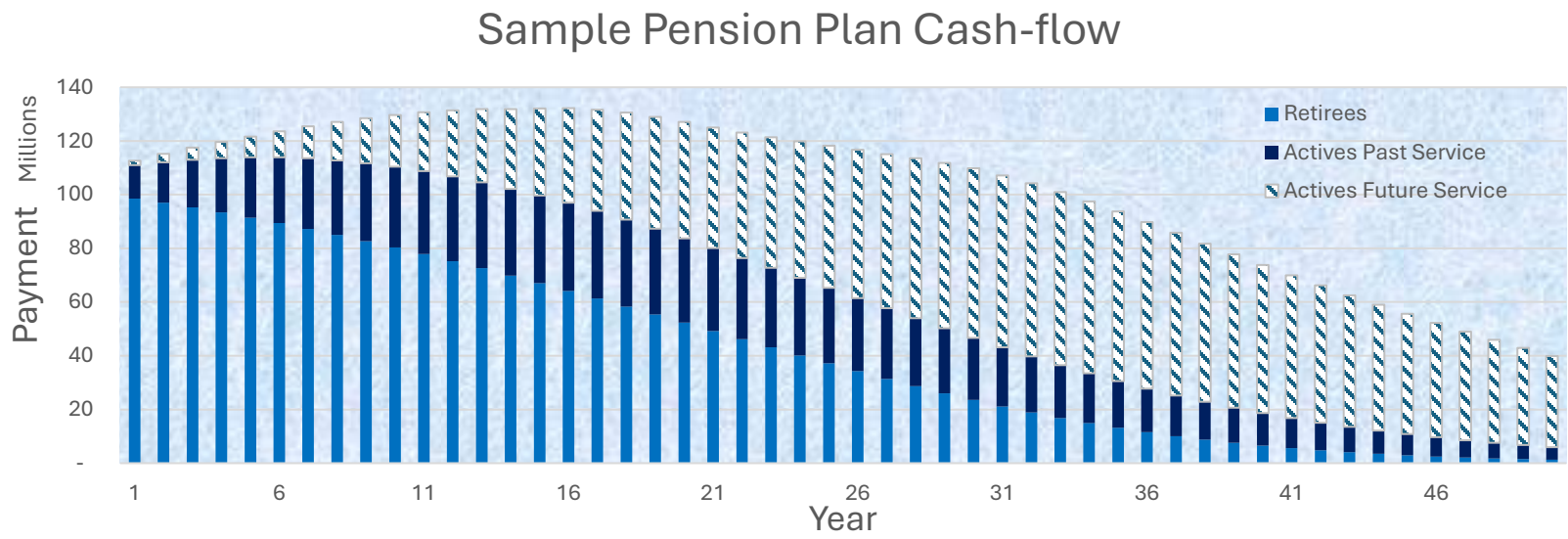
Projecting Future Benefit Payments

Projected benefit payments include:

- All benefits to be provided to current active and inactive employees
- Effects of automatic COLAs & other benefit changes
- Effects of *ad hoc* COLAs & other benefit changes*
- Effects of projected salary increases, if applicable
- Effects of projected service credits, if applicable

*To the extent that they are substantively automatic

Pension Benefit Cash-Flows



Benefit payments typically extending beyond 30 years

Liabilities exclude benefits for future active employees

Liabilities for current active employees are based on past years of service* but recognize expected pay increases

* See “Attributing APV to Periods”

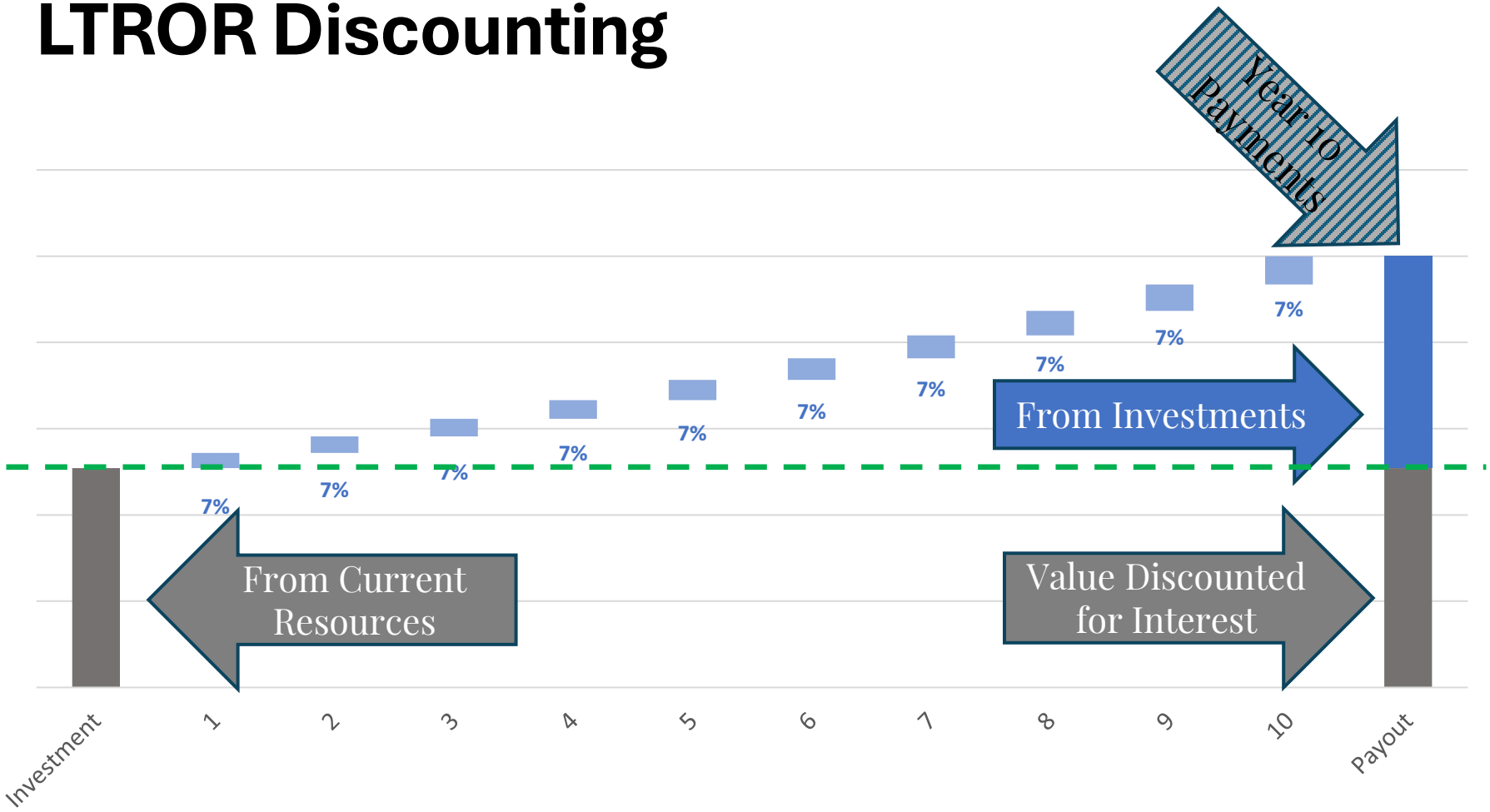
Discounting Projected Benefit Payments

Projected benefit payments should be discounted using a discount rate based on the plan's long-term expected rate of return (LTERoR) *as long as projected plan net position is greater than the benefit payments*

Otherwise, projected benefit payments should be discounted using a yield or index rate for 20-year, tax-exempt general obligation bonds with an average rating of AA/Aa or higher (or equivalent quality)

When more than one rate is used for discounting, the *single discount rate* is the rate that would produce the same actuarial present value if applied to all projected benefit payments

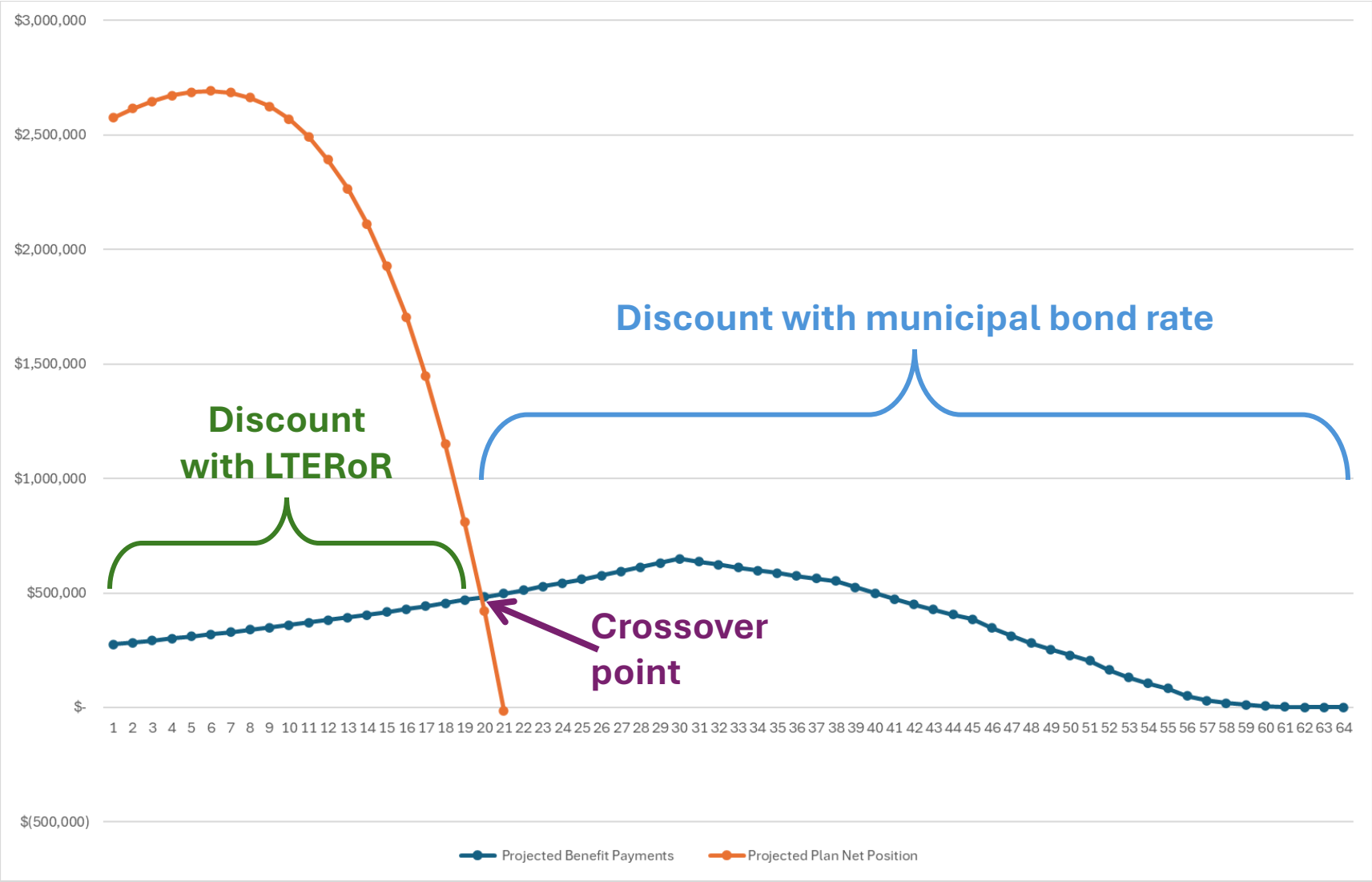
LTROR Discounting



Present Value = Future Value – Investment Earnings

Plan sponsor's liabilities are based on the obligation to fund the plan

Discounting Example



Attributing APV to Periods

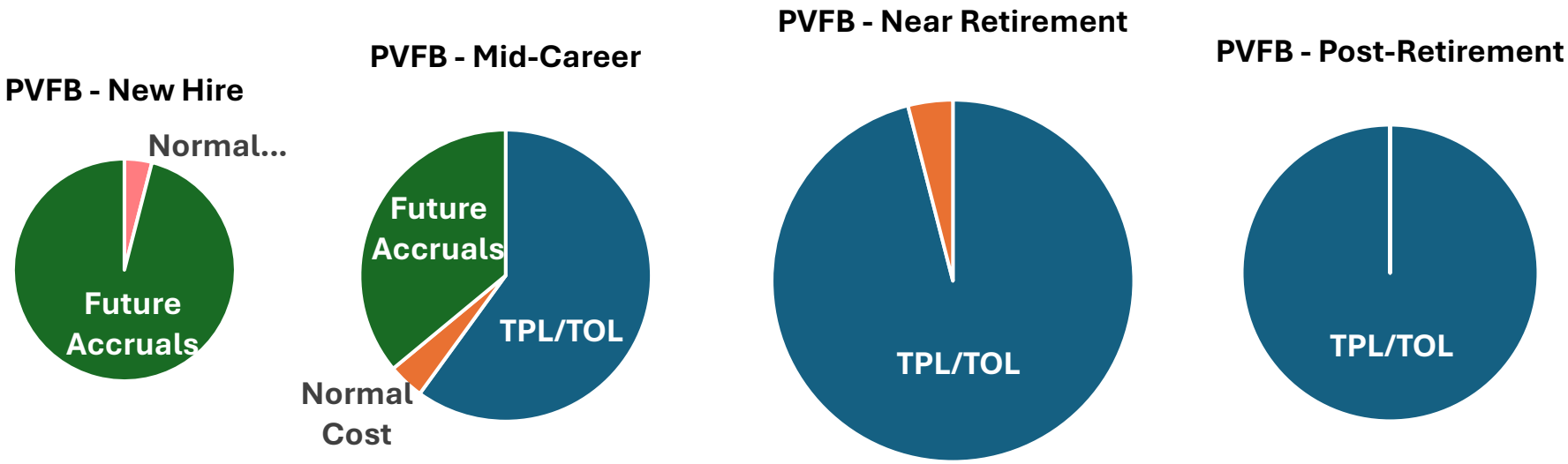
Entry age actuarial cost method required to be used

- APV of each individual is allocated on a level basis over their earnings or service between entry age and assumed exit age
- Portion of APV allocated to a valuation year is called the *normal cost*

In plans in which the benefit terms include a deferred retirement option program (DROP), the date of entry into the DROP should be considered to be the employee's retirement date

- A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date
- The employee continues to provide service to the employer and is paid for that service after the DROP entry date, but the benefits that would have been paid are credited to an individual employee account within the plan until the end of the DROP period

Attribution of Present Value of Benefits



Present Value of Future Benefits is calculated for each member

New employees have no liability, retirees have no normal cost

Total Pension Liability for a member is typically at its highest at the time of retirement

Polling Question 3

Which of the following is NOT a major step in the measurement of the pension or OPEB liability?

a. Projecting future benefit payments
b. Discounting projected future benefit payments
c. Allocating the discounted present value of projected future benefit payments
d. Dividing the allocations among individual departments

Measuring the Expense & Deferrals

Pension & OPEB Expense

Pension/OPEB expense reflects changes in the net liability from one year to the next

Cause of Change	Definition	Effect on Liability & Expense
Service (normal) cost	Cost of new benefits earned	Increase
Interest on beginning total liability	Accrual of interest on amount owed to plan members	Increase
Changes in benefit terms	Improvements or reductions to benefits	Increase or decrease, respectively
Changes in assumptions	Different inputs into measuring the liability (e.g., inflation)	Increase or decrease
Experience gains and losses	Actual economic or demographic indicators (e.g., life expectancy) are different from what was assumed when measuring the liability	Increase or decrease
Difference between expected and actual proportionate share of contributions	An employer's actual percentage of total contributions to the plan is higher or lower than assumed	Increase or decrease, respectively
Change in proportion	Using a higher or lower assumption about an employer's percentage of total contributions	Increase or decrease, respectively
Difference between projected and actual earnings on plan investments	Actual earnings are higher or lower than assumed	Decrease or increase, respectively

Reporting Liability Changes as Expense

The largest changes in the liability (normal cost and interest), as well as the effect of changes in benefit terms, are reported *immediately* as pension/OPEB expense

Other causes of increases and decreases in the liability are initially reported as deferred outflows and deferred inflows, respectively, and reported as expense over several years

- Deferrals related to differences between assumed and actual plan earnings are expensed over five years
- All other deferrals are expensed over a period equal to the average remaining service period of all plan members, both active and inactive

Average Remaining Service Period

Average remaining service period is an average for all members, active and inactive

- Often calculated by dividing the collective expected service years of active employees by the total number of participants (active, inactive, and retired)

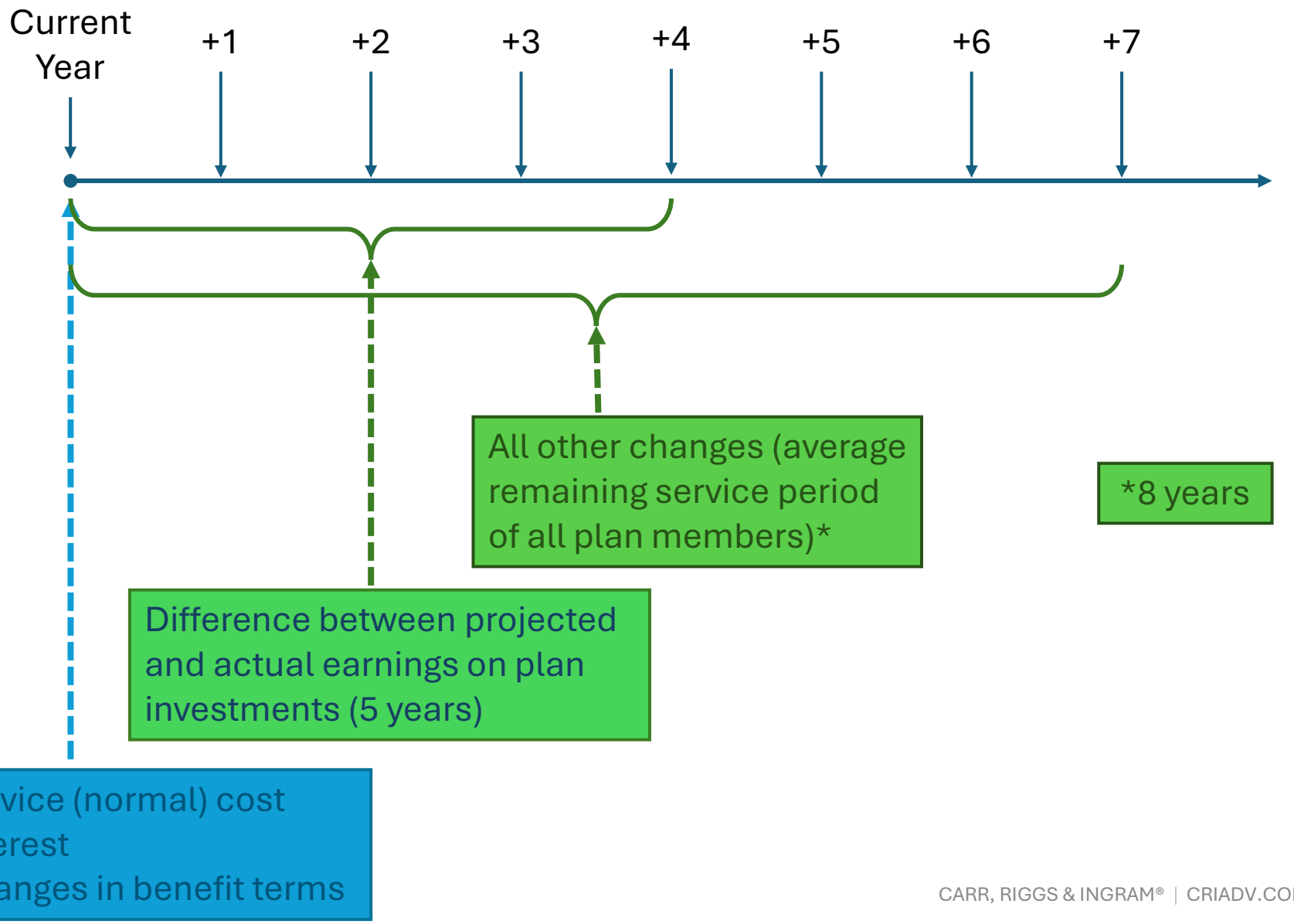
Inactive members have a remaining service period of 0

- For closed plans without any active employees all changes in TPL/TOL are recognized immediately
- Typical open pension plans recognize changes in liabilities over 5 to 10 years
- Plans with few retirees (in particular OPEB) often recognize changes in liabilities over 10 years or more

Pension & OPEB Expense Recognition

Cause of Change	When to Expense
Service (normal) cost	Immediately
Interest on beginning total liability	
Changes in benefit terms	
Changes in assumptions	Over the average remaining service periods of all plan members
Differences between expected and actual economic & demographic factors (experience gains and losses)	
Difference between expected and actual proportionate share of contributions	
Change in proportion	
Difference between projected and actual earnings on plan investments	Over a closed five-year period

Expense Recognition (continued)



Contributions after the Measurement Date

Employer contributions to the plan from the employer between the measurement date and the end of the reporting period should be reported as a deferred outflow

- For unfunded OPEB plan, this is the collective employer-paid benefit amount for the period (implicit subsidy PLUS direct premium subsidy, if any)

In the following period, the deferral is eliminated and the net liability is reduced by the amount of the deferral

Employers in Cost-Sharing Plans

Cost-Sharing Plans

Measurement of the liability, expense, and deferrals is performed for the plan as a whole, rather than for each individual employer

Individual employers report their *proportionate share* of the collective amounts in their own financials

The proportionate share is based on the employer's *proportion*—its percentage of the total for all employers and NECEs

GASB *recommends* basing the proportion on the employer's projected long-term contributions

Proportions & Proportionate Shares

Contributions from Government A & its employees

÷

Contributions from ALL governments & their employees

=

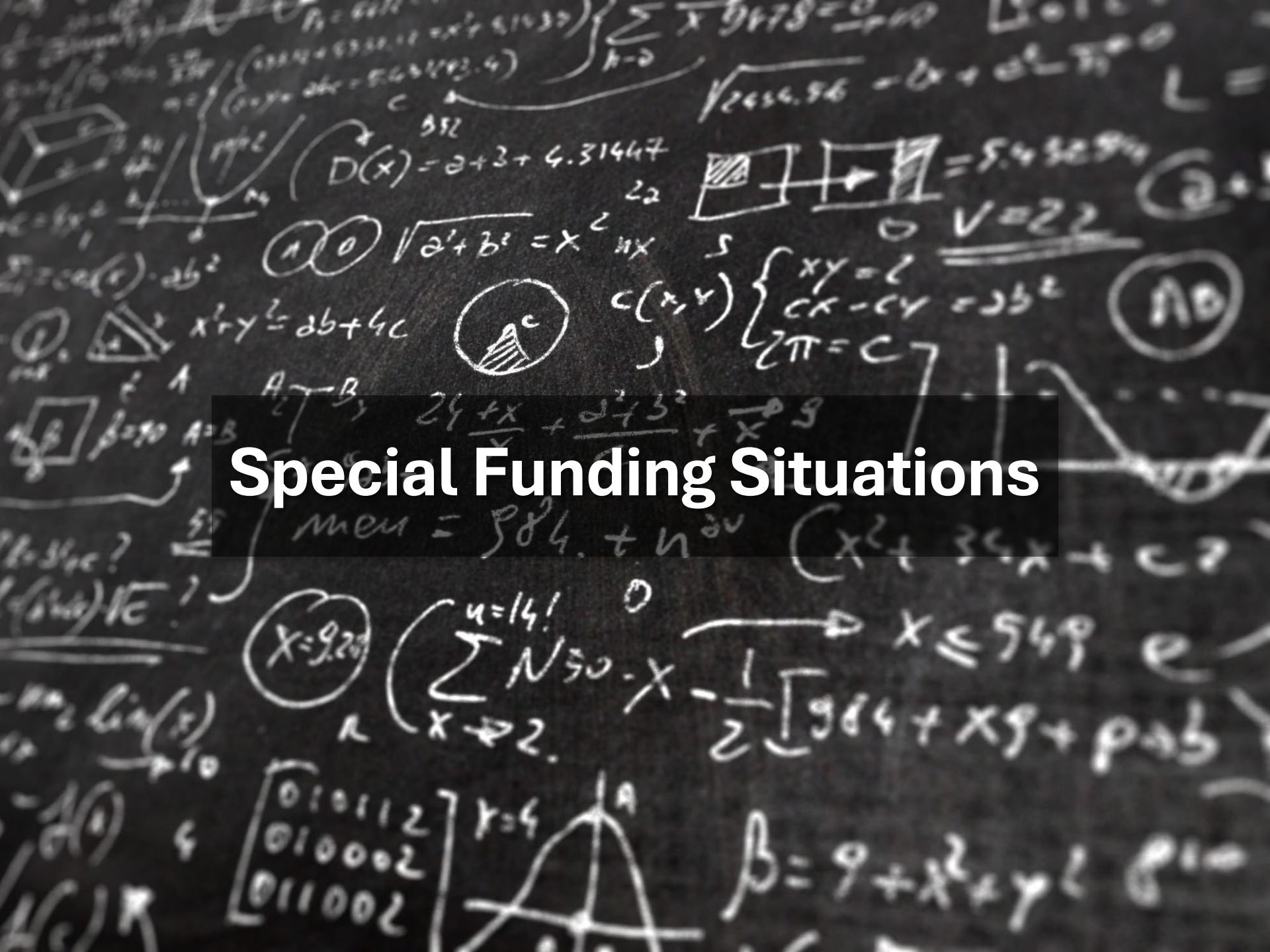
Government A's ***proportion (%)***

×

Net liability, expense & deferrals *for the entire plan*

=

Net liability, expense & deferrals *for Government A* – its ***proportionate share ($$$$)***


Special Funding Situations

Special Funding Situations: Employer Reporting

Similar to a cost-sharing employer, an employer in a SFS should recognize its proportionate share of the collective liability

- The employer reports its proportionate share of the collective liability minus the NECE's proportionate share

An employer should recognize expense equal to the collective expense

- Deferrals should be recognized equal to the collective deferrals × the employer's proportion (its proportionate share of the liability ÷ the collective liability)
- Plus, defer and recognize as expense over the average remaining service period of the plan members (1) the effect of changes in the proportion and (2) the difference between employer contributions made during the measurement period and the employer's proportionate share of total employer and NECE contributions

SFS: Employer Reporting (continued)

Recognize revenue equal to the total of:

- NECE's total proportionate share of pension expense, less the NECE's proportionate share of contributions made during the measurement period to finance separate liabilities to the plan
- The portion of the following associated with the employer, if any: the NECEs' total additional expense for those contributions

Special Funding Situations: NECE Reporting

A NECE should report in its own financials its proportionate share of the liability for the other entity's employees

- The NECE's proportionate share equals the collective liability minus the employer's proportionate share

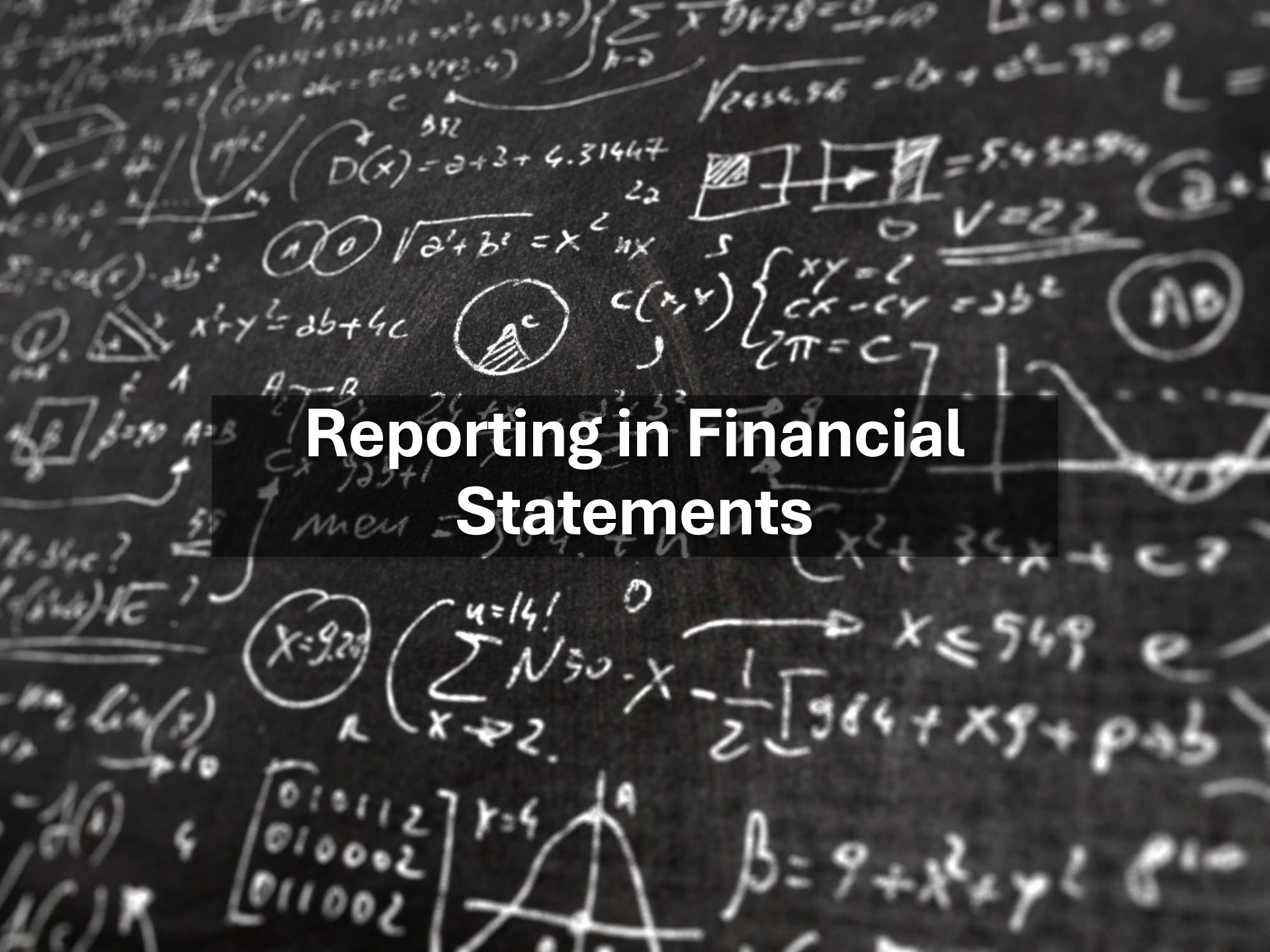
Expense and deferrals reported by the NECE should equal the collective amounts × its proportion (its proportionate share of the liability ÷ the collective liability)

- The effect of changes in the NECE's proportion should be deferred and recognized as expense over the average remaining service period of the plan members

Polling Question 4

The pension and OPEB standards contain guidance for:

a. Government employers
b. Pension and OPEB plans
c. Nonemployer contributing entities
d. All of the above



Reporting in Financial Statements

Accrual-Basis Financial Statements

Governments should recognize a net (or total) liability and related deferrals in the statements of net position

Liabilities from multiple plans may be aggregated in the financial statements, as may assets, but liabilities and assets may not be netted

There is no current portion of pension or OPEB liability unless the expected benefit payments for the coming year exceed the plan's net position

Expenses should be recognized in the statement of activities and statement of revenues, expenses, and changes in (fund) net position

Governmental Funds Financial Statements

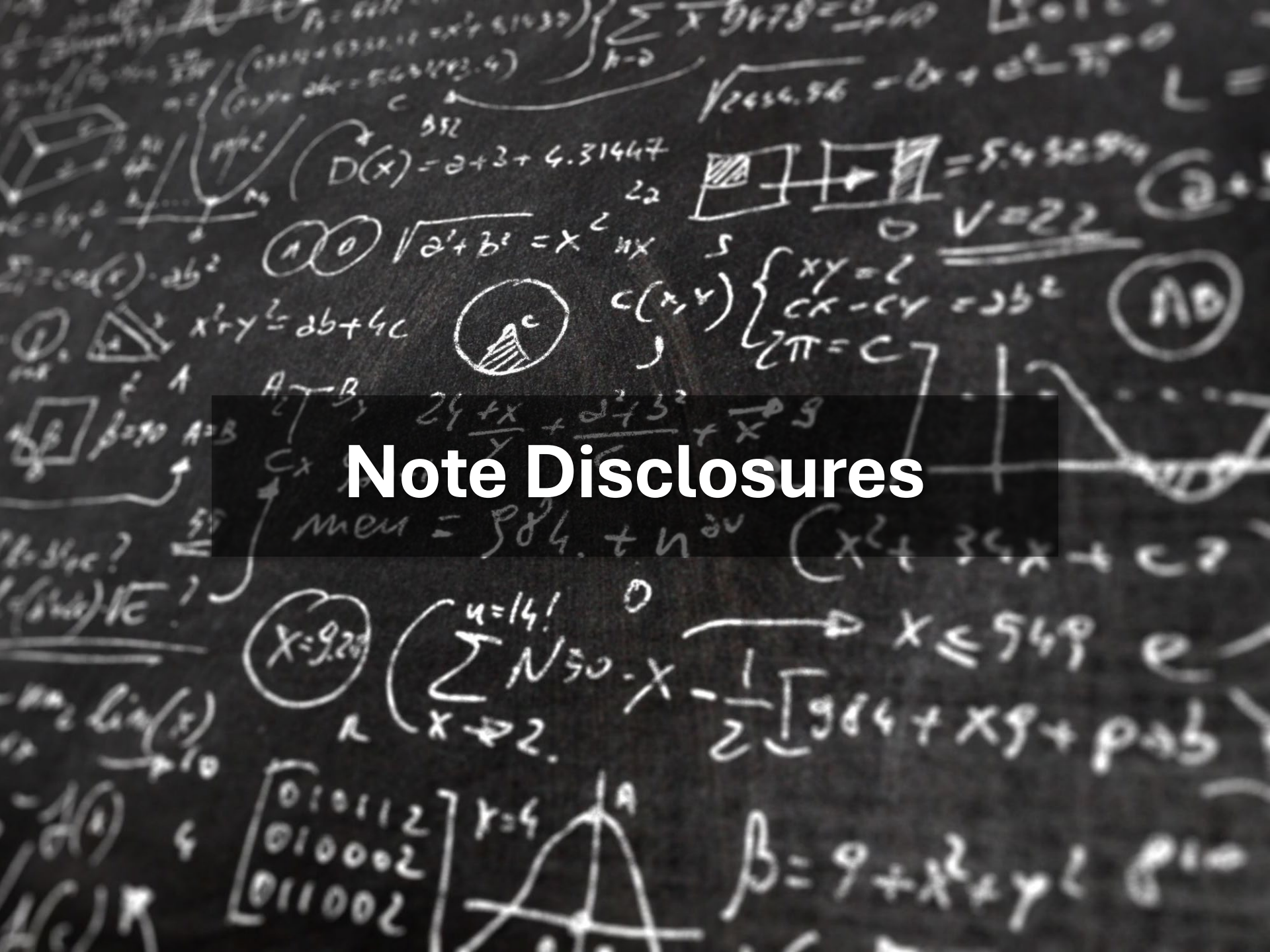
Net (or total) liability or asset usually are not recognized in the governmental funds balance sheet

Governments should recognize a liability to the extent that it is normally expected to be liquidated with expendable available financial resources

- i.e., when benefit payments are due and payable and the plan's fiduciary net position is not sufficient for payment of those benefits

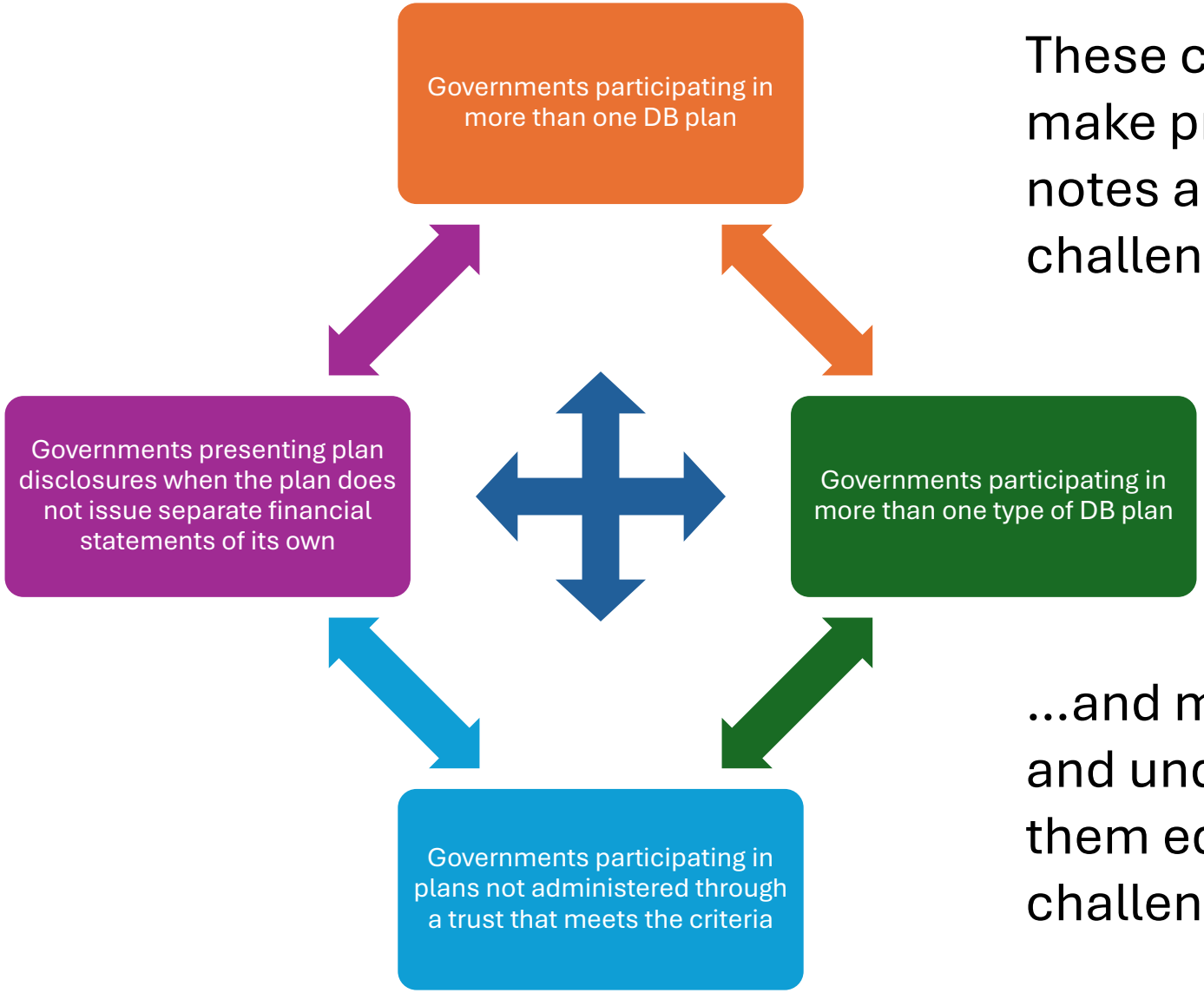
Expenditures should be recognized equal to (a) amounts paid to the plan during the period by the employer (and NECE, if any) plus (b) the change in the liability (if any)

- Expenditures include amounts for payables to the plan



Note Disclosures

Navigating the Pension & OPEB Notes



These circumstances make preparing the notes and RSI more challenging…

…and make reading and understanding them equally challenging

Required Notes: Overview

Aggregate total for all plans of the employer's liabilities (and/or assets), deferrals, and expense/expenditure

The following separately for each plan (though combined in a manner that avoids unnecessary duplication), separately identifying amounts for the primary government and its discretely presented component units (if applicable):

- Plan description
- Information about the net liability
  - Assumptions and other inputs
  - Plan fiduciary net position
- Changes in the net liability (single and agent plans)

Notes: Plan Description

Name of plan	PERS or other entity that administers plan	Type of plan
Classes of employees covered	Types of benefits	Key elements of formulas
Terms for automatic and ad hoc COLAs	Authority for setting benefit terms	If plan is closed to new entrants

Example: Key Elements of the Formula & COLA Provisions

Summary of Benefits by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Final Average Salary	Highest 3 Years	Highest 5 Years	Highest 3 Years		Highest 2 Years	Highest 5 Years	Highest 5 Years
Years of Service Required and/or Age Eligible for Benefit	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	20 years any age 10 years age 60 4 years age 65 6 years age 70		25 years any age 20 years age 55* 10 years age 62 4 years age 65	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	25 years any age 20 years age 60* 10 years age 62*
Benefit Percent per Year of Service**	2.00% per year all years	1.25% per year to June 1975 2.00% per year July 1975 to present	2.50% per year up to 20 years 2.00% per year over 20 years		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years	1.50% per year all years	1.50% per year all years
COLA***	Up to 4.00% annually	Up to 4.00% annually	Up to 2.50% or 4.00% annually depending on the employer	Up to 4.00% annually	Up to 4.00% compounded annually	Up to 2.50% annually	Up to 2.50% annually

Notes: Plan Description (continued)

Number of covered employees*	Basis for determining employer contributions	Authority for setting contribution requirements
Contribution rates	Employer contributions for the period	Whether plan issues stand-alone report
If so, how to obtain the report	Employer's proportion (and change from prior measurement)+	Basis for employer's proportion+

*Single and agent employers

+Cost-sharing employers

Polling Question 5

Governments participating in a pension or OPEB plan should disclose:

a. The name of the plan
b. Key elements of the benefit formula
c. Contribution rates
d. All of the above

Notes: Information about the Liability

- Significant assumptions and other inputs
- Source of mortality assumptions
- Dates of experience studies
- Discount rate (and change from prior measurement)
- Assumptions about projected plan cash flows
- Long-term expected rate of return & how it was determined
- Municipal bond rate and source (if used)
- Periods to which discount rates were applied
- Assumed asset allocation of plan and LTE *real* RoR for each

Notes: Information about the Liability (continued)

- Measurement date of the net liability
- Date of the actuarial valuation
- Whether update procedures were used to roll forward the TL
- If special-funding situation (SFS): employer's proportion
- If SFS: basis for employer's proportion
- If SFS: change in employer's proportion, if any
- Changes in assumptions since measurement date that affected TL
- Changes in benefit terms since measurement date that affected TL
- Changes between measurement date and reporting date that will affect TL

Example: Discount Rate Sensitivity

Primary Government
Changes in Discount Rate
Net Pension Liability / (Asset)
(expressed in thousands)

System	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	$ 1,228,306	$ 544,490	$ (28,721)
Contributory System	25,225	2,590	(16,815)
Public Safety System	335,648	143,463	(14,680)
Firefighters System	974	(476)	(1,653)
Judges System	67,418	38,731	14,594
Governors and Legislators Retirement Plan	2,958	1,647	646
Tier 2 Public Employees System	35,226	4,085	(19,982)
Tier 2 Public Safety and Firefighters System	7,324	2,073	(1,825)
Total Net Pension Liability / (Asset)	$ 1,703,079	$ 736,603	$ (68,436)

Example: Healthcare Cost Trend Rate Sensitivity

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB liability	$ 112,429	$ 125,473	$ 140,689

Example: Changes in the Net Liability (single & agent employers)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2023	$ 1,613,046,732	$ 860,209,556	$ 752,837,176
Changes for the year:			
Service cost	20,718,121	-	20,718,121
Interest	115,277,788	-	115,277,788
Benefit changes	215,883	-	215,883
Difference between expected actual experience	46,808,079	-	46,808,079
Changes in assumptions	-	-	-
Contributions - employer	-	76,295,834	(76,295,834)
Contributions - employee	-	16,697,262	(16,697,262)
Net investment income	-	231,203,192	(231,203,192)
Benefit payments, including refunds of employee contributions	(97,873,259)	(97,873,259)	-
Administrative expense	-	(682,879)	682,879
Other changes	-	(216,528)	216,528
Net changes	85,146,612	225,423,622	(140,277,010)
Balance at September 30, 2024	$ 1,698,193,344	$ 1,085,633,178	$ 612,560,166

Example: Changes in the Net Liability (single & agent employers)

		County, Excluding BSO		BSO
Total OPEB Liability at 10/1/2023	$	21,164	$	245,387
Changes for the Fiscal Year				
Service Cost		1,046		6,216
Interest		1,056		10,602
Benefit Changes				17,445
Difference Between Actual and Expected Experience		(4,444)		12,208
Assumption Changes		(4,731)		(4,260)
Benefit Payments		(1,051)		(21,552)
Net Changes in Total OPEB Liability		(8,124)		20,659
Total OPEB liability at 9/30/2024	**$**	**13,040**	**$**	**266,046**
Covered-Employee Payroll	$	537,642	$	423,494
TOL as a Percentage of Covered-Employee Payroll		2.43%		62.82%

No assets in the fund, therefore no columns for fiduciary net position or net OPEB liability

RSI Schedules

RSI Schedules, Covering the Past 10 Years

	Liability Schedule	Contributions Schedule	Notes to Schedules
Single or agent, no SFS	Changes in the net liability by cause and ratios	Actuarially determined contribution (ADC)+ compared with actual contributions, and ratios	Significant methods and assumptions used to calculate the ADC+ Factors that significantly affected the trends
Single or agent, SFS	Changes in the collective net liability by cause and ratios, plus proportionate share information	Same as no SFS	Same as no SFS
Cost-sharing, no SFS	Proportion and proportionate share of the liability, and ratios	Statutorily or contractually determined contributions* compared with actual contributions, and ratios	Factors that significantly affected the trends
Cost-sharing, SFS	Proportion and proportionate share of the liability, and ratios, plus proportionate share information	Same as no SFS	Same as no SFS

+Unless contribution is statutorily or contractually determined
*Unless an ADC is calculated

Key Reminders for RSI Schedules

Liability schedules should present *measurement periods*

Contribution schedules should present *fiscal years*

Covered payroll is the payroll on which contributions to a plan are based

Covered-employee payroll is the total payroll of employees in the plan

Ratios should use covered payroll if contributions are based on pay, but otherwise should use covered-employee payroll

Changes in Net Liability Schedule

Same information as the note, but for the past 10 years

A. Total liability
B. Plan fiduciary net position
C. Net liability
D. B ÷ A
E. Covered payroll
F. C ÷ E

When there is an SFS, C is the collective net liability, and the following also should be reported:

G. NECEs' total proportionate share of C
H. Employer's proportionate share of C
I. H ÷ E

Example: Changes in Net Liability Schedule

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 20,718,121	$ 19,630,604	$ 19,315,172	$ 19,706,997	$ 18,659,042	$ 18,657,791	$ 19,655,059	$ 18,734,601	$ 18,841,425	$ 18,980,543
Interest	115,277,788	109,103,579	108,013,719	103,536,827	100,299,842	96,782,967	84,474,307	80,415,811	76,728,937	72,176,032
Benefit changes	215,883	-	-	-	46,431	-	58,281	3,079,947	(319,947)	463,821
Difference between expected actual experience	46,808,079	50,595,343	(21,398,113)	23,618,246	15,824,298	6,564,079	21,523,872	17,244,137	14,497,396	25,359,233
Changes in assumptions	-	-	-	-	35,587,356	-	86,852,659	-	-	-
Benefit payments, including refunds of employee contributions	(97,873,259)	(93,332,002)	(88,555,441)	(83,245,136)	(78,103,610)	(73,212,386)	(67,874,292)	(62,848,129)	(58,330,873)	(54,262,097)
Net change in Total Pension Liability	85,146,612	85,997,524	17,375,337	63,616,934	92,313,359	48,792,451	144,689,886	56,626,367	51,416,938	62,717,532
Total Pension Liability - Beginning	1,613,046,732	1,527,049,208	1,509,673,871	1,446,056,937	1,353,743,578	1,304,951,127	1,160,261,241	1,103,634,874	1,052,217,936	989,500,404
Total Pension Liability - Ending	$ 1,698,193,344	$ 1,613,046,732	$ 1,527,049,208	$ 1,509,673,871	$ 1,446,056,937	$ 1,353,743,578	$ 1,304,951,127	$ 1,160,261,241	$ 1,103,634,874	$ 1,052,217,936
Plan Fiduciary Net Position										
Contributions - employer	$ 76,295,834	$ 71,835,723	$ 68,432,958	$ 62,971,304	$ 60,853,499	$ 55,665,704	$ 47,521,805	$ 44,749,719	$ 42,300,849	$ 39,097,981
Contributions - employee	16,697,262	16,091,891	14,490,794	14,108,468	13,940,999	13,446,185	13,941,429	12,461,897	12,981,148	12,083,766
Net investment income	231,203,192	124,882,764	(204,851,277)	179,943,870	91,530,777	22,683,136	56,169,683	75,860,411	46,845,674	(5,922,327)
Benefit payments, including refunds of employee contributions	(97,873,259)	(93,332,002)	(88,555,441)	(83,245,136)	(78,103,610)	(73,212,386)	(67,874,292)	(62,848,129)	(58,330,873)	(54,262,097)
Administrative expense	(682,879)	(524,793)	(579,836)	(202,916)	(268,107)	(296,056)	(248,784)	(239,862)	(250,846)	(241,372)
Other changes	(216,528)	82,348	(135,413)	(120,297)	(190,182)	79,481	96,879	113,448	245,212	624,400
Net Change in Plan Fiduciary Net Position	225,423,622	119,035,931	(211,198,215)	173,455,293	87,763,376	18,366,064	49,606,720	70,097,484	43,791,164	(8,619,649)
Plan Fiduciary Net Position - Beginning	860,209,556	741,173,625	952,371,840	778,916,547	691,153,171	672,787,107	623,180,387	553,082,903	509,291,739	517,911,388
Plan Fiduciary Net Position - Ending	1,085,633,178	860,209,556	741,173,625	952,371,840	778,916,547	691,153,171	672,787,107	623,180,387	553,082,903	509,291,739
Net Pension Liability - Ending	$ 612,560,166	$ 752,837,176	$ 785,875,583	$ 557,302,031	$ 667,140,390	$ 662,590,407	$ 632,164,020	$ 537,080,854	$ 550,551,971	$ 542,926,197
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63.93%	53.33%	48.54%	63.08%	53.86%	51.05%	51.56%	53.71%	50.11%	48.40%
Covered Payroll	$ 314,808,067	$ 283,630,892	$ 260,401,757	$ 261,530,890	$ 254,105,154	$ 242,278,837	$ 241,522,135	$ 226,975,245	$ 220,949,172	$ 214,354,687
Net Pension Liability as a percentage of Covered Payroll	194.58%	265.43%	301.79%	213.09%	262.55%	273.48%	261.74%	236.63%	249.18%	253.28%

Example (closeup)

		2024
Total Pension Liability		
Service cost	$	20,718,121
Interest		115,277,788
Benefit changes		215,883
Difference between expected actual experience		46,808,079
Changes in assumptions		-
Benefit payments, including refunds of employee contributions		(97,873,259)
Net change in Total Pension Liability		85,146,612
Total Pension Liability - Beginning		1,613,046,732
Total Pension Liability - Ending	$	1,698,193,344
Plan Fiduciary Net Position		
Contributions - employer	$	76,295,834
Contributions - employee		16,697,262
Net investment income		231,203,192
Benefit payments, including refunds of employee contributions		(97,873,259)
Administrative expense		(682,879)
Other changes		(216,528)
Net Change in Plan Fiduciary Net Position		225,423,622
Plan Fiduciary Net Position - Beginning		860,209,556
Plan Fiduciary Net Position - Ending		1,085,633,178
Net Pension Liability - Ending	$	612,560,166
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		63.93%
Covered Payroll	$	314,808,067
Net Pension Liability as a percentage of Covered Payroll		194.58%

ADC Schedule

If an ADC is calculated, the contributions schedule should include:

A. The employer's ADC
B. Actual amount of contributions recognized by the plan in relation to that ADC
C. B – A (or A – B)
D. Covered payroll
E. B ÷ D

Example: ADC Schedule

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 68,187,427	$ 62,001,713	$ 61,428,774	$ 63,159,710	$ 59,841,764	$ 54,706,561	$ 45,712,814	$ 43,482,797	$ 41,391,890	$ 38,791,424
Contributions in relation to the actuarially determined contribution	76,295,834	71,835,723	68,432,958	62,971,304	60,853,499	55,665,704	47,521,805	44,749,719	42,300,849	39,097,981
Contribution deficiency (excess)	$ (8,108,407)	$ (9,834,010)	$ (7,004,184)	$ 188,406	$ (1,011,735)	$ (959,143)	$ (1,808,991)	$ (1,266,922)	$ (908,959)	$ (306,557)
Covered Payroll	$ 314,808,067	$ 283,630,892	$ 260,401,757	$ 261,530,890	$ 254,105,154	$ 247,754,285	$ 258,524,423	$ 247,754,285	$ 239,525,648	$ 230,445,554
Contributions as a percentage of covered payroll	24.24%	25.33%	26.28%	24.08%	23.95%	22.47%	18.38%	18.06%	17.66%	16.97%

	2024
Actuarially determined contribution	$ 68,187,427
Contributions in relation to the actuarially determined contribution	76,295,834
Contribution deficiency (excess)	$ (8,108,407)
Covered Payroll	$ 314,808,067
Contributions as a percentage of covered payroll	24.24%

Example: Notes to RSI Schedules

Notes to the Schedule of Changes in the City Employees' Net Pension Liability and Related Ratios

- Until a full 10-year trend is compiled, this schedule will present only those years for which information is available.
- This fund had no significant changes of benefit terms in any of the years presented.
- The inflation assumption was decreased from 3.25% to 2.75% in 2015 and to 2.5% in 2019.
- The investment rate of return was decreased from 7.75% to 7.5% in 2015, to 7% in 2019, and to 6.75% in 2021.
- The salary increase assumption was decreased from 4.5% to 4% in 2015, and to 3.5% in 2019.
- The new hire wage growth assumption was increased from 3.75% to 4% in 2015 and decreased to 3.5% in 2019.
- The tables for rates of retirement were adjusted in 2015 and again in 2019 to be more consistent with experience.
- Termination rate assumptions were revised in 2015 and again in 2019 to be more consistent with actual experience.
- Mortality rates were changed from RP-2000 to RP-2014 in 2015 and to PubG-2010 in 2019.
- The discount rate decreased from 7.75% to 7.5% in 2015, to 7% in 2019, and to 6.75% in 2021 mirroring the investment rate of return. In 2022, a single blended discount rate was required resulting in a rate of 5.87%, in 2023 the rate was increased to 6.75%.

Example: Notes to RSI Schedules (cont'd)

Notes to Schedule of Actuarially Determined City Contributions to the City Employees' plan

Valuation Date	
Date	• December 31 of each calendar year occurring during the fiscal year.
Notes	• A funding period is solved for through open group projections.
Methods and Assumptions Used to Determine Contribution Rates	
Actuarial Cost Method	• Entry Age Normal (all years)
Asset Valuation Method	• 2017 forward - Expected actuarial value plus 20% recognition of prior years' differences between expected and actual investment income. • 2016 and 2015 - 20% of market plus 80% of expected actuarial value.
Inflation	• 2.5% for 2020 through 2024, 2.75% for 2016 through 2019, 3.25% for 2015
Salary Increases	• 3.5% to 5.75% for 2020 through 2024, 4% to 6.25% for 2016 through 2019, 4.5% to 6% for 2015
Investment Rate of Return	• 6.75% for 2022 through 2024, 7% for 2020 and 2021, 7.5% for 2016 through 2019, 7.75% for 2015
Retirement Age	• Experience-based table of rates that are gender specific. • 2020 - 2024 - Last updated for December 31, 2019 valuation pursuant to an experience study of the period ending December 31, 2018. • 2016 - 2019 - Last updated for December 31, 2015 valuation pursuant to an experience study of the 5-year period ending December 31, 2015. • 2015 - Last updated for December 31, 2012 valuation pursuant to an experience study of the 5-year period ending December 31, 2011.
Mortality	• 2020 through 2024 - PubG-2010 Healthy Retiree Mortality Table (for General employees) for males and females with full generational projection assuming immediate convergence of rates in the mortality projection scale MP- 2018, 2D for male and female. • 2016 through 2019 - RP-2014 Mortality Table with Blue Collar adjustment. Generational mortality improvements in accordance with Scale BB are projected from the year 2014. • For 2015 RP-2000 Mortality Table with White Collar adjustment and multipliers of 110% for males and 120% for females. Generational mortality improvements in accordance with Scale AA are projected from the year 2000.
Other Information	
Notes	• There were no benefit changes during the periods displayed. • An actuarially determined contribution of 8.68% was effective January 1, 2024. Prior to that change the rate was 19%. The City also contributes according to a fixed payment plan established to eliminate the legacy unfunded liability existing as of December 31, 2023 over a 30-year period. For calendar year 2024 this amount is $3,803,699 per pay period.

Polling Question 6

How many years should the pension and OPEB RSI schedules cover?

a. 5 years
b. 10 years
c. 5 or 10 years, at the government's discretion
d. None of the above

Cost-Sharing Net Liability Schedule

Cost-sharing employers should present the following:

A. Employer's proportion of the collective net liability
B. Employer's proportionate share of the collective net liability
C. Employer's covered payroll
D. B ÷ C
E. Plan's fiduciary net position ÷ total liability

When there is an SFS, the following also should be reported:

G. Portion of the NECEs' total proportionate share of collective net liability associated with the employer
H. B + G

Example: Cost-Sharing Net Liability Schedule

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	1.68410592%	1.60958400%	1.60750656%	1.61037792%	1.58334264%	1.63284659%	1.62657457%	1.61492487%	1.60348178%	1.66151589%
County's Proportionate Share of the Net Pension Liability	$ 440,906	$ 475,472	$ 139,860	$ 238,462	$ 312,959	$ 447,204	$ 255,178	$ 366,722	$ 277,743	$ 200,397
County's Covered Payroll	$ 268,536	$ 241,302	$ 225,029	$ 220,730	$ 215,162	$ 212,953	$ 207,211	$ 201,255	$ 191,890	$ 197,745
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	164.19%	197.04%	62.15%	108.03%	145.45%	210.00%	123.15%	182.22%	144.74%	101.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

Amounts presented as of the County's measurement date, which is the prior year-end.

	2024
County's Proportion of the Net Pension Liability	1.68410592%
County's Proportionate Share of the Net Pension Liability	$ 440,906
County's Covered Payroll	$ 268,536
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	164.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%

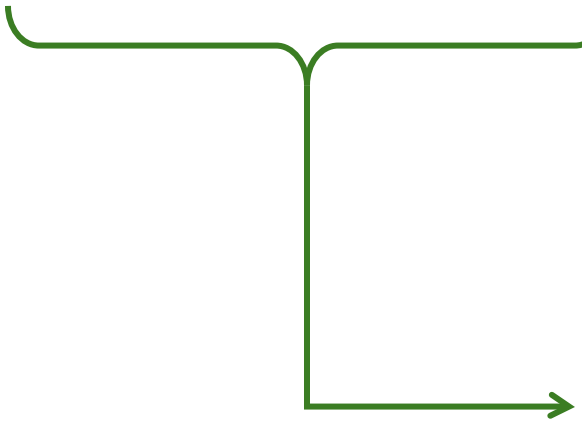
Statutory/Contractual Contributions Schedule

If an ADC is *not* calculated and the contributions are statutorily or contractually established, the schedule should include:

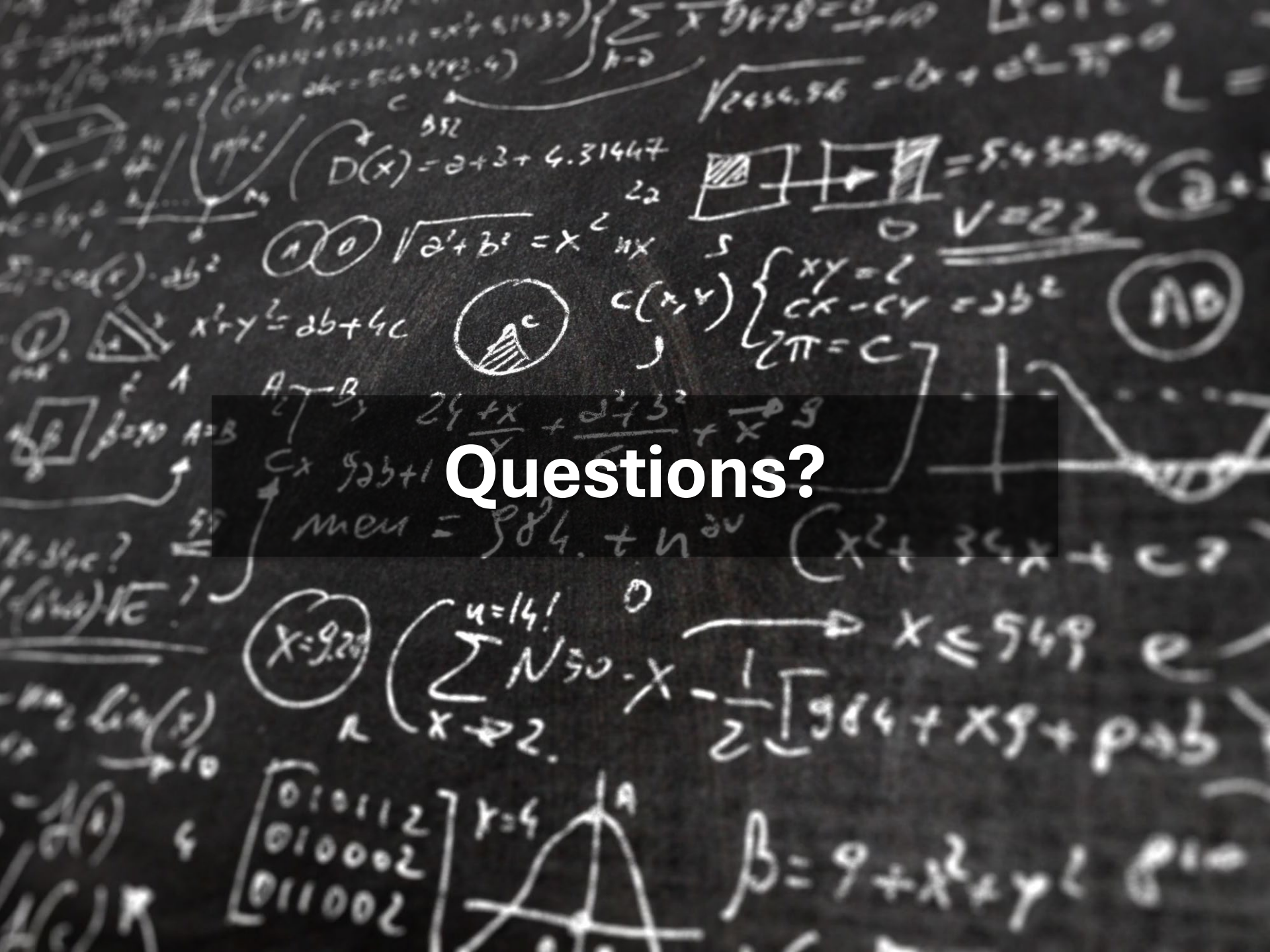
A. The statutorily or contractually established contribution amount
B. Actual amount of contributions recognized by the plan in relation to that required contribution
C. B – A (or A – B)
D. Covered payroll
E. B ÷ D

Example: Statutory/Contractual Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 42,040	$ 38,808	$ 34,925	$ 32,674	$ 32,064	$ 31,174	$ 30,871	$ 27,963	$ 25,116	$ 23,910
Contributions in Relation to the Contractually Required Contribution	(42,040)	(38,808)	(34,925)	(32,674)	(32,064)	(31,174)	(30,871)	(27,963)	(25,116)	(23,910)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 292,240	$ 268,536	$ 241,302	$ 225,029	$ 220,730	$ 215,162	$ 212,953	$ 207,211	$ 201,253	$ 191,890
Contributions as a Percentage of Covered Payroll	14.39%	14.45%	14.47%	14.52%	14.53%	14.49%	14.50%	13.49%	12.48%	12.46%



	2024
Contractually Required Contribution	$ 42,040
Contributions in Relation to the Contractually Required Contribution	(42,040)
Contribution Deficiency (Excess)	$ -
County's Covered Payroll	$ 292,240
Contributions as a Percentage of Covered Payroll	14.39%


Questions?

- Today's Presenters -

Dean Michael Mead
Carr, Riggs & Ingram
dmead@CRIadv.com
914.497.3293

LinkedIn: deanmead
Facebook: GASBguy
Threads: gasb_guy
Bluesky: @gasbguy.bsky.social

Piotr Krekora
GRS
piotr.krekora@grsconsulting.com
954.713.2128

CRI Firm Facts

CRI FIRM FACTS — FOUNDED IN 1997 • 35+ MARKETS across the United States & Mexico

2,000+ PROFESSIONALS

TOP 25* FIRM
(as ranked by Accounting Today)

100,000+ CLIENTS

25+ YEARS
OF CONSISTENT GROWTH SINCE FORMATION

CRI FIRM VALUES:
- CLIENT SERVICE.
- RESPECT.
- INTEGRITY.

SERVICES

- Advisory
- Audit & Attest*
- Tax

INDUSTRY EXPERTISE

- Captive Insurance
- Commercial Real Estate
- Construction
- Financial Institutions
- Government & Public Sector
- Hospitals & Health Systems
- Insurance
- Manufacturing & Distribution
- Nonprofits
- Physician Groups
- Post-Acute Care
- Private Foundations
- Religious Organizations

CRI FAMILY OF COMPANIES

At CRI, we know that the best results come from a fully integrated approach to your business, organization, or family's financial well-being. The CRI Family of Companies works collectively to parallel our clients' evolving needs beyond traditional accounting, cutting-edge business support, technology solutions, outsourcing, and assurance*. By working side-by-side, our expansive suite of companies and their focused solutions provide more personalized, holistic advice that checks every box.

CRI Firm Values

CLIENT SERVICE

Defining our brand by meeting or exceeding the highest expectations of our clients

RESPECT

Building productive, long-term relationships with each other that are based on mutual respect, trust, and sharing

INTEGRITY

Living with sincerity, transparency, and honesty

Follow CRI on Social Media