



June 9, 2026

Mr. David M. Williams, Plan Administrator  
West Palm Beach Police Pension Fund  
2100 N. Florida Mango Road  
West Palm Beach, Florida 33409

**Re: West Palm Beach Police Pension Fund**

Dear Dave:

As requested, we have prepared the enclosed Supplemental Actuarial Valuation Report for the West Palm Beach Police Pension Fund (Plan) to update the September 30, 2025 actuarial valuation results to reflect the amendment to the Special Act which provides the following:

- Effective for retirements on and after October 1, 2026, the benefit accrual rate is increased from 3% to 3.2% for all years of service up to a total of 26 years, with the same 1% benefit accrual rate for service in excess of 26 years. This benefit is not available to members who terminated or retired, including entry into the DROP, prior to October 1, 2026.
- The definition of actuarial equivalence is updated to refer to the interest rate and mortality table used in the latest actuarial valuation approved by the Board.
- There are additional updates for the purpose of clarification and compliance with the Florida Statutes and Internal Revenue Code.

**Based on this Supplemental Actuarial Valuation Report, the final Required City Contribution for the fiscal year ending September 30, 2027 is \$13,814,266 assuming the contribution is paid in full on October 1, 2026.** If a different payment schedule is needed, please let us know.

### Summary of Findings

For the benefit accrual rate change as described in the first bullet above:

- The required employer contribution in the first year would increase by \$1,047,275, from \$12,766,991 to \$13,814,266, assuming the contribution is paid in-full on October 1, 2026.
- The Plan's funded ratio (actuarial value of assets divided by actuarial accrued liability) as of September 30, 2025 would decrease from 83.2% to 82.2%.
- The Unfunded Actuarial Accrued Liability (UAAL) as of September 30, 2025 would increase by \$7,783,026. This increase is being amortized over 30 years.

In our opinion, aside from the change to the benefit accrual rate described above, the other proposed changes will not have an actuarial impact on the cost of the Plan for prefunding purposes. The update to the definition of actuarial equivalence would bring it more in line with the current assumptions used for actuarial valuation purposes, which will reduce the likelihood of future experience gains or losses associated with the election of optional forms of payment.

### **Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution**

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in Plan provisions or applicable law. The scope of this report does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the either assumed or forecasted returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the Plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return is less (or more) than the assumed rate, the cost of the Plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.



The computed contribution amounts may be considered as minimum contributions that comply with the pension Board's funding policy and the State statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the Plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

### **Additional Risk Assessment**

Additional risk assessment is outside the scope of this report. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. We are prepared to perform such assessment to aid in the decision-making process.

### **Additional Disclosures**

This report was prepared at the request of the Board and is intended for use by the Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of this report is to describe the financial effect of the proposed plan changes. No statement in this report is intended to be interpreted as a recommendation in favor of the changes or in opposition to them. This report should not be relied on for any purpose other than the purpose described above.

The calculations in this report are based upon information furnished by the Plan Administrator for the September 30, 2025 Actuarial Valuation concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We reviewed this information for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

The calculations in this report are based on data or other information through September 30, 2025. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law.

The calculations are based upon assumptions regarding future events, which may or may not materialize. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.



This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

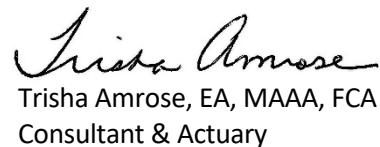
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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 increase in plan costs or required contribution rates have been taken into account in the valuation.

We welcome your questions and comments.

Sincerely yours,  
Gabriel, Roeder, Smith & Company

  
Jeffrey Amrose, EA, MAAA, FCA  
Senior Consultant & Actuary

  
Trisha Amrose, EA, MAAA, FCA  
Consultant & Actuary

Enclosures

This communication shall not be construed to provide tax advice, legal advice or investment advice.



# Actuarial Impact Statement

## Plan

West Palm Beach Police Pension Fund

## Actuarial Valuation Date

September 30, 2025

## Date of Report

June 9, 2026

## Report Requested by

Board of Trustees

## Prepared by

Gabriel, Roeder, Smith & Company

## Group Valued

All active and inactive members of the Plan.

## Plan Changes Being Proposed

- Effective for retirements on and after October 1, 2026, the benefit accrual rate is increased from 3% to 3.2% for all years of service up to a total of 26 years, with the same 1% benefit accrual rate for service in excess of 26 years. This benefit is not available to members who terminated or retired, including entry into the DROP, prior to October 1, 2026.
- The definition of actuarial equivalence is updated to refer to the interest rate and mortality table used in the latest actuarial valuation approved by the Board.
- There are additional updates for the purpose of clarification and compliance with the Florida Statutes and Internal Revenue Code.

## Participants Affected

Active participants on and after the plan change effective date.



## Actuarial Assumptions and Methods

Same as September 30, 2025 Actuarial Valuation Report.

Some of the key assumptions/methods are:

Investment Return	7.00%
Salary increase	3.5% to 8.5% per year depending on service
Cost Method	Entry Age Normal
Mortality Table	PUB-2010 Benefits Weighted Safety Healthy Employee Male Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Employee Female Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Retiree Male Table (post-retirement) and the PUB-2010 Benefits Weighted Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year for males and mortality improvements to all future years after 2010 using Scale MP-2021. These are the same rates used for Special Risk Class members in the July 1, 2024 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63(1)(f).

## Amortization Period for Any Change in Actuarial Accrued Liability

30 years

## Summary of Data Used in Report

See page 11. Same as used in the September 30, 2025 Actuarial Valuation.

## Actuarial Impact of Proposal(s)

See attached page(s) for the first-year impact of the proposed benefit multiplier change.

## Other Cost Considerations

None



## Actuarially Determined Contribution (ADC)

A. Valuation Date	September 30, 2025 <i>Valuation</i>	September 30, 2025 <i>Amendment</i>
B. ADC to Be Paid During Fiscal Year Ending	9/30/2027	9/30/2027
C. Assumed Date of Employer Contributions	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability (UAAL)	\$ 8,144,333	\$ 8,606,063
E. Normal Cost	9,892,767	10,468,272
F. Total Required Contribution if Paid Continuously During Year Beginning on Valuation Date	18,037,100	19,074,335
G. Covered Payroll	29,789,074	29,789,074
H. Total Required Contribution as % of Covered Payroll	60.55 %	64.03 %
I. Member Contribution as % of Covered Payroll	11.00 %	11.00 %
J. State Contribution as % of Covered Payroll	0.00 %	0.00 %
K. Required Employer Contribution (REC) as % of Covered Payroll	49.55 %	53.03 %
L. Projected Covered Payroll for Contribution Year	31,129,583	31,129,583
M. REC for Contribution Year: K x L	15,424,711	16,508,020
N. REC as % of Covered Payroll in Contribution Year: M ÷ L	49.55 %	53.03 %
O. Change in REC for Contribution Year	N/A	1,083,309
P. Change in REC as % of Covered Payroll in Contribution Year	N/A	3.48 %
<b>If the City Makes its Contribution on October 1st:</b>		
Q. REC for Contribution Year	14,911,631	15,958,906
R. REC as % of Covered Payroll in Contribution Year	47.90 %	51.27 %
S. Change in REC for Contribution Year	N/A	1,047,275
T. Change in REC as % of Covered Payroll in Contribution Year	N/A	3.37 %
U. Use of Contribution Stabilization Reserve	2,144,640	2,144,640
<b>V. Net Required City Contribution on October 1, 2026</b>	<b>12,766,991</b>	<b>13,814,266</b>



**Use of Contribution Stabilization Reserve  
to Offset Required Contribution for FYE 2027  
Pursuant to Funding Policy**

	<i>Valuation</i>	<i>Amendment</i>
A. Use of Contribution Stabilization Reserve needed to have Required Contribution increase by 2.5% from prior year	\$ 2,326,192	\$ 3,373,467
B. 20% of Contribution Stabilization Reserve	3,157,128	3,157,128
C. Funded value of Contribution Stabilization Reserve at 9/30/2026	2,144,640	2,144,640
D. Maximum amount of Contribution Stabilization Reserve to use for FYE 2027 (Minimum of A, B and C)	\$ 2,144,640	\$ 2,144,640

## Actuarial Value of Benefits and Assets

A. Valuation Date	September 30, 2025 <i>Valuation</i>	September 30, 2025 <i>Amendment</i>
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 190,993,564	\$ 203,238,321
b. Vesting Benefits	8,131,754	8,673,019
c. Disability Benefits	10,133,488	10,354,335
d. Preretirement Death Benefits	1,223,408	1,251,804
e. Return of Member Contributions	<u>834,163</u>	<u>834,163</u>
f. Total	211,316,377	224,351,642
2. Inactive Members		
a. Service Retirees & Beneficiaries	298,915,069	298,915,069
b. Terminated Vested Members	<u>2,704,754</u>	<u>2,704,754</u>
c. Total	301,619,823	301,619,823
3. Share Plan / DROP Accounts / Contribution Stabilization Reserve	198,821,284	198,821,284
4. Total for All Members	711,757,484	724,792,749
<b>5. Change in Actuarial Present Value of All Projected Benefits</b>	<b>N/A</b>	<b>13,035,265</b>
C. Actuarial Accrued (Past Service) Liability	626,078,901	633,861,927
D. Actuarial Present Value of Accumulated Plan Benefits per FASB Statement No. 35	N/A	N/A
E. Plan Assets		
1. Market Value	528,055,662	528,055,662
2. Actuarial Value	520,743,955	520,743,955
F. Unfunded Actuarial Accrued Liability (UAAL)	105,334,946	113,117,972
<b>G. Change in UAAL</b>	<b>N/A</b>	<b>7,783,026</b>
H. Actuarial Present Value of Projected Covered Payroll	268,707,094	268,707,094
I. Actuarial Present Value of Projected Member Contributions	29,557,780	29,557,780
J. Funded Ratio: E2/C	83.2 %	82.2 %

## Calculation of Normal Cost

A. Valuation Date	September 30, 2025 <i>Valuation</i>	September 30, 2025 <i>Amendment</i>
B. Normal Cost for		
1. Service Retirement Benefits	\$ 8,033,246	\$ 8,559,944
2. Vesting Benefits	532,460	567,384
3. Disability Benefits	680,086	692,465
4. Preretirement Death Benefits	69,245	70,749
5. Return of Member Contributions	<u>205,367</u>	<u>205,367</u>
6. Total for Future Benefits	9,520,404	10,095,909
As % of Covered Payroll	31.96 %	33.89 %
7. Assumed Amount for Administrative Expenses	<u>372,363</u>	<u>372,363</u>
As % of Covered Payroll	1.25 %	1.25 %
8. Total Normal Cost	9,892,767	10,468,272
As % of Covered Payroll	33.21 %	35.14 %

<b>Participant Data</b>		
	September 30, 2025 <i>Valuation</i>	September 30, 2025 <i>Amendment</i>
<b>ACTIVE MEMBERS</b>		
Number	245	245
Covered Annual Payroll	29,789,074	29,789,074
Average Annual Payroll	\$ 121,588	\$ 121,588
Average Age	38.8	\$ 38.8
Average Past Service	9.8	9.8
Average Age at Hire	29.0	29.0
<b>RETIRES, BENEFICIARIES &amp; DROP PARTICIPANTS</b>		
Number	302	302
Annual Benefits	\$ 20,086,726	\$ 20,086,726
Average Annual Benefit	\$ 66,512	\$ 66,512
Average Age	64.9	64.9
<b>DISABILITY RETIREES</b>		
Number	29	29
Annual Benefits	\$ 1,579,115	\$ 1,579,115
Average Annual Benefit	\$ 54,452	\$ 54,452
Average Age	54.0	54.0
<b>TERMINATED VESTED MEMBERS</b>		
Number	10	10
Annual Benefits	\$ 269,117	\$ 269,117
Average Annual Benefit	\$ 26,912	\$ 26,912
Average Age	42.6	42.6