

West Palm Beach Police Pension Fund

Chapter 112.664, F.S. Compliance Report

In Connection with the September 30, 2023 Funding Actuarial
Valuation Report and the Plan's Financial Reporting for the Year
Ending September 30, 2023





June 18, 2024

The Board of Trustees
West Palm Beach Police Pension Fund
West Palm Beach, Florida

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the West Palm Beach Police Pension Fund (Plan) to prepare a disclosure report to satisfy the requirements set forth in Ch. 112.664, F.S. and as further required pursuant to Ch. 60T-1.0035, F.A.C.

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 the report is to provide the required information specified in Ch. 112.664, F.S. as well as supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data and other information through September 30, 2023. This report was based upon information furnished by the Plan Administrator concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked 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.

Except as otherwise indicated as required for the disclosures contained herein, this report was prepared using certain assumptions approved by the Board as authorized under and prescribed by the Florida Statutes, as described in our September 30, 2023 actuarial valuation report. This report is also based on the plan provisions, census data, and financial information as summarized in our September 30, 2023 actuarial valuation report. Please refer to the September 30, 2023 actuarial valuation report, dated April 10, 2024, for summaries and descriptions of this information.

The use of an investment return assumption that is 2% higher than the investment return assumption used to determine the funding requirements does not represent an estimate of future Plan experience nor does it reflect an observation of future return estimates inherent in financial market data. The use of this investment return assumption is provided as a counterpart to the Chapter 112.664, Florida Statutes requirement to utilize an investment return assumption that is 2% lower than the assumption used to determine the funding requirements. The inclusion of the additional exhibits showing the effect of using a 2% higher investment return assumption shows a more complete assessment of the range of possible results as opposed to showing a one-sided range as required by Florida Statutes.

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 scope of this engagement does not include an analysis of the potential range of such measurements.

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 Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

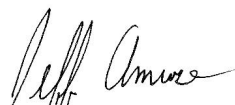
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, and in our opinion, meet the requirements of Section 112.664(1), F.S. and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By 
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Enrolled Actuary No. 23-6599
Senior Consultant & Actuary


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Table of Contents

<u>Title</u>	<u>Page</u>
Ch. 112.664, F.S. Results	
Schedule of Changes in Net Pension Liability	
1. Using financial reporting assumptions per GASB Statement No. 67	1
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	2
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	3
4. Using the mandated mortality and funding interest rate +2%	4
Assets Versus Benefit Payments Projections	
1. Using assumptions from the Plan's latest actuarial valuation	5
2. Using assumptions prescribed in Section 112.664(1)(a), F.S.	6
3. Using assumptions prescribed in Section 112.664(1)(b), F.S.	7
4. Using the mandated mortality and funding interest rate +2%	8
Actuarially Determined Contribution	9

CH. 112.664, FLORIDA STATUTES

RESULTS

**Schedule of Changes in the Employer's Net Pension Liability
Using Financial Reporting Assumptions per GASB Statement No. 67**

Fiscal year ending September 30,	2023
1. Total Pension Liability	
a. Service Cost	\$ 7,042,697
b. Interest	34,257,582
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	27,998,341
e. Assumption Changes	-
f. Benefit Payments	(30,196,118)
g. Contribution Refunds	(78,566)
h. Net Change in Total Pension Liability	39,023,936
i. Total Pension Liability - Beginning	501,010,028
j. Total Pension Liability - Ending	\$ 540,033,964
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 5,657,198
b. Contributions - State	1,985,387
c. Contributions - Member	3,173,908
d. Net Investment Income	33,162,662
e. Benefit Payments	(30,196,118)
f. Contribution Refunds	(78,566)
g. Administrative Expense	(406,647)
h. Other	678,558
i. Net Change in Plan Fiduciary Net Position	13,976,382
j. Plan Fiduciary Net Position - Beginning	425,292,643
k. Plan Fiduciary Net Position - Ending	\$ 439,269,025
 3. Net Pension Liability / (Asset)	\$ 100,764,939
 Certain Key Assumptions	
Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
Mortality Table	Special Risk Class Mortality Rates from 7/1/21 FRS Valuation



**Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(a), F.S.**

Fiscal year ending September 30,

1. Total Pension Liability

	2023
a. Service Cost	\$ 7,042,697
b. Interest	34,257,582
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	27,998,341
e. Assumption Changes	-
f. Benefit Payments	(30,196,118)
g. Contribution Refunds	(78,566)
h. Net Change in Total Pension Liability	39,023,936
i. Total Pension Liability - Beginning	501,010,028
j. Total Pension Liability - Ending	\$ 540,033,964

2. Plan Fiduciary Net Position

a. Contributions - Employer	\$ 5,657,198
b. Contributions - State	1,985,387
c. Contributions - Member	3,173,908
d. Net Investment Income	33,162,662
e. Benefit Payments	(30,196,118)
f. Contribution Refunds	(78,566)
g. Administrative Expense	(406,647)
h. Other	678,558
i. Net Change in Plan Fiduciary Net Position	13,976,382
j. Plan Fiduciary Net Position - Beginning	425,292,643
k. Plan Fiduciary Net Position - Ending	\$ 439,269,025

3. Net Pension Liability / (Asset)

\$ 100,764,939

Certain Key Assumptions

Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	7.00%
Mortality Table	Special Risk Class Mortality Rates from 7/1/21 FRS Valuation



**Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions required under 112.664(1)(b), F.S.**

Fiscal year ending September 30,

	<u>2023</u>
1. Total Pension Liability	
a. Service Cost	\$ 11,649,361
b. Interest	31,094,607
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,663,945
e. Assumption Changes	-
f. Benefit Payments	(30,196,118)
g. Contribution Refunds	(78,566)
h. Net Change in Total Pension Liability	<u>15,133,229</u>
i. Total Pension Liability - Beginning	<u>631,204,799</u>
j. Total Pension Liability - Ending	<u>\$ 646,338,028</u>
2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 5,657,198
b. Contributions - State	1,985,387
c. Contributions - Member	3,173,908
d. Net Investment Income	33,162,662
e. Benefit Payments	(30,196,118)
f. Contribution Refunds	(78,566)
g. Administrative Expense	(406,647)
h. Other	678,558
i. Net Change in Plan Fiduciary Net Position	<u>13,976,382</u>
j. Plan Fiduciary Net Position - Beginning	<u>425,292,643</u>
k. Plan Fiduciary Net Position - Ending	<u>\$ 439,269,025</u>
3. Net Pension Liability / (Asset)	\$ 207,069,003

Certain Key Assumptions

Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	5.00%
Mortality Table	Special Risk Class Mortality Rates from 7/1/21 FRS Valuation



Schedule of Changes in the Employer's Net Pension Liability
Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

Fiscal year ending September 30,	2023
1. Total Pension Liability	
a. Service Cost	\$ 4,470,079
b. Interest	39,674,580
c. Benefit Changes	-
d. Difference between actual & expected experience & Other	2,663,945
e. Assumption Changes	-
f. Benefit Payments	(30,196,118)
g. Contribution Refunds	(78,566)
h. Net Change in Total Pension Liability	16,533,920
i. Total Pension Liability - Beginning	453,730,967
j. Total Pension Liability - Ending	\$ 470,264,887
 2. Plan Fiduciary Net Position	
a. Contributions - Employer	\$ 5,657,198
b. Contributions - State	1,985,387
c. Contributions - Member	3,173,908
d. Net Investment Income	33,162,662
e. Benefit Payments	(30,196,118)
f. Contribution Refunds	(78,566)
g. Administrative Expense	(406,647)
h. Other	678,558
i. Net Change in Plan Fiduciary Net Position	13,976,382
j. Plan Fiduciary Net Position - Beginning	425,292,643
k. Plan Fiduciary Net Position - Ending	\$ 439,269,025
 3. Net Pension Liability / (Asset)	 \$ 30,995,862
 Certain Key Assumptions	
Valuation Date	09/30/2022
Measurement Date	09/30/2023
Investment Return Assumption	9.00%
Mortality Table	Special Risk Class Mortality Rates from 7/1/21 FRS Valuation



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using assumptions from the Plan's latest actuarial valuation

FYE	Market Value of Assets (BOY), Net of DROP/Share Accounts and Reserves		Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY), Net of DROP/Share Accounts and Reserves			
	\$				\$			
2024	\$	264,810,429	\$	17,823,178	\$	20,387,204	\$	262,246,403
2025		262,246,403		17,613,487		21,250,328		258,609,562
2026		258,609,562		17,328,983		22,105,338		253,833,207
2027		253,833,207		16,964,854		22,956,309		247,841,752
2028		247,841,752		16,521,760		23,633,208		240,730,304
2029		240,730,304		16,009,184		24,055,358		232,684,130
2030		232,684,130		15,433,220		24,419,126		223,698,224
2031		223,698,224		14,790,249		24,817,909		213,670,564
2032		213,670,564		14,070,854		25,316,716		202,424,702
2033		202,424,702		13,266,404		25,809,287		189,881,819
2034		189,881,819		12,377,022		26,134,430		176,124,411
2035		176,124,411		11,406,052		26,361,615		161,168,848
2036		161,168,848		10,353,091		26,535,106		144,986,833
2037		144,986,833		9,216,922		26,633,034		127,570,721
2038		127,570,721		7,995,573		26,696,488		108,869,806
2039		108,869,806		6,684,235		26,761,460		88,792,581
2040		88,792,581		5,277,408		26,802,074		67,267,915
2041		67,267,915		3,770,862		26,796,914		44,241,863
2042		44,241,863		2,160,693		26,749,642		19,652,914
2043		19,652,914		442,082		26,674,908		-
2044		-		-		26,544,813		-
2045		-		-		26,337,604		-
2046		-		-		26,083,661		-
2047		-		-		25,762,994		-
2048		-		-		25,377,449		-
2049		-		-		24,933,728		-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 19.75

Certain Key Assumptions

Investment Return Assumption 7.00%
Mortality Table Special Risk Class Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions required under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY), Net of DROP/Share Accounts and Reserves		Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY), Net of DROP/Share Accounts and Reserves			
	\$				\$			
2024	\$	264,810,429	\$	17,823,178	\$	20,387,204	\$	262,246,403
2025		262,246,403		17,613,487		21,250,328		258,609,562
2026		258,609,562		17,328,983		22,105,338		253,833,207
2027		253,833,207		16,964,854		22,956,309		247,841,752
2028		247,841,752		16,521,760		23,633,208		240,730,304
2029		240,730,304		16,009,184		24,055,358		232,684,130
2030		232,684,130		15,433,220		24,419,126		223,698,224
2031		223,698,224		14,790,249		24,817,909		213,670,564
2032		213,670,564		14,070,854		25,316,716		202,424,702
2033		202,424,702		13,266,404		25,809,287		189,881,819
2034		189,881,819		12,377,022		26,134,430		176,124,411
2035		176,124,411		11,406,052		26,361,615		161,168,848
2036		161,168,848		10,353,091		26,535,106		144,986,833
2037		144,986,833		9,216,922		26,633,034		127,570,721
2038		127,570,721		7,995,573		26,696,488		108,869,806
2039		108,869,806		6,684,235		26,761,460		88,792,581
2040		88,792,581		5,277,408		26,802,074		67,267,915
2041		67,267,915		3,770,862		26,796,914		44,241,863
2042		44,241,863		2,160,693		26,749,642		19,652,914
2043		19,652,914		442,082		26,674,908		-
2044		-		-		26,544,813		-
2045		-		-		26,337,604		-
2046		-		-		26,083,661		-
2047		-		-		25,762,994		-
2048		-		-		25,377,449		-
2049		-		-		24,933,728		-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 19.75

Certain Key Assumptions

Investment Return Assumption 7.00%
Mortality Table Special Risk Class Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection
Not Reflecting Any Contributions from the Employer, State or Employee
Using Assumptions under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY), Net of DROP/Share Accounts and Reserves		Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY), Net of DROP/Share Accounts and Reserves			
	\$				\$			
2024	\$	264,810,429	\$	12,730,841	\$	20,387,204	\$	257,154,066
2025		257,154,066		12,326,445		21,250,328		248,230,183
2026		248,230,183		11,858,876		22,105,338		237,983,721
2027		237,983,721		11,325,278		22,956,309		226,352,690
2028		226,352,690		10,726,804		23,633,208		213,446,286
2029		213,446,286		10,070,930		24,055,358		199,461,858
2030		199,461,858		9,362,615		24,419,126		184,405,347
2031		184,405,347		8,599,820		24,817,909		168,187,258
2032		168,187,258		7,776,445		25,316,716		150,646,987
2033		150,646,987		6,887,117		25,809,287		131,724,817
2034		131,724,817		5,932,880		26,134,430		111,523,267
2035		111,523,267		4,917,123		26,361,615		90,078,775
2036		90,078,775		3,840,561		26,535,106		67,384,230
2037		67,384,230		2,703,386		26,633,034		43,454,582
2038		43,454,582		1,505,317		26,696,488		18,263,411
2039		18,263,411		244,134		26,761,460		-
2040		-		-		26,802,074		-
2041		-		-		26,796,914		-
2042		-		-		26,749,642		-
2043		-		-		26,674,908		-
2044		-		-		26,544,813		-
2045		-		-		26,337,604		-
2046		-		-		26,083,661		-
2047		-		-		25,762,994		-
2048		-		-		25,377,449		-
2049		-		-		24,933,728		-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:** 15.67

Certain Key Assumptions

Investment Return Assumption 5.00%
Mortality Table Special Risk Class Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Asset and Benefit Payment Projection

Not Reflecting Any Contributions from the Employer, State or Employee

Using Assumptions under 112.664(1)(b), F.S. except 2% higher investment return assumption

FYE	Market Value of Assets (BOY), Net of DROP/Share		Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY), Net of DROP/Share			
	Accounts and Reserves				Accounts and Reserves			
2024	\$	264,810,429	\$	22,915,514	\$	20,387,204	\$	267,338,739
2025		267,338,739		23,104,222		21,250,328		269,192,633
2026		269,192,633		23,232,597		22,105,338		270,319,892
2027		270,319,892		23,295,756		22,956,309		270,659,339
2028		270,659,339		23,295,846		23,633,208		270,321,977
2029		270,321,977		23,246,487		24,055,358		269,513,106
2030		269,513,106		23,157,319		24,419,126		268,251,299
2031		268,251,299		23,025,811		24,817,909		266,459,201
2032		266,459,201		22,842,076		25,316,716		263,984,561
2033		263,984,561		22,597,193		25,809,287		260,772,467
2034		260,772,467		22,293,473		26,134,430		256,931,510
2035		256,931,510		21,937,563		26,361,615		252,507,458
2036		252,507,458		21,531,591		26,535,106		247,503,943
2037		247,503,943		21,076,868		26,633,034		241,947,777
2038		241,947,777		20,573,958		26,696,488		235,825,247
2039		235,825,247		20,020,007		26,761,460		229,083,794
2040		229,083,794		19,411,448		26,802,074		221,693,168
2041		221,693,168		18,746,524		26,796,914		213,642,778
2042		213,642,778		18,024,116		26,749,642		204,917,252
2043		204,917,252		17,242,182		26,674,908		195,484,526
2044		195,484,526		16,399,091		26,544,813		185,338,804
2045		185,338,804		15,495,300		26,337,604		174,496,500
2046		174,496,500		14,530,920		26,083,661		162,943,759
2047		162,943,759		13,505,604		25,762,994		150,686,369
2048		150,686,369		12,419,788		25,377,449		137,728,708
2049		137,728,708		11,273,566		24,933,728		124,068,546
2050		124,068,546		10,066,202		24,443,712		109,691,036
2051		109,691,036		8,795,946		23,916,603		94,570,379
2052		94,570,379		7,460,373		23,354,699		78,676,053
2053		78,676,053		6,056,570		22,761,666		61,970,957
2054		61,970,957		4,581,212		22,137,199		44,414,970
2055		44,414,970		3,030,591		21,483,482		25,962,079
2056		25,962,079		1,400,433		20,803,433		6,559,079
2057		6,559,079		-		20,100,410		-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits, **reflecting no contributions from the Employer, Employee or State, contrary to Florida Statutes and Plan provisions:**

33.33

Certain Key Assumptions

Investment Return Assumption

9.00%

Mortality Table

Special Risk Class Mortality Rates from 7/1/22 FRS Valuation

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of the Fund assets does not include contributions from the Employer, Employee or State, which is contrary to Florida Statutes and Plan provisions. For this reason, these projections should not be viewed as a representation of the amount of time the Fund can sustain benefit payments. Under the GASB standards which DO include contributions from the Employer, Employee and State, the Fund is expected to be able to sustain the benefit payment demands in the near-term and long-term future.



Actuarially Determined Contribution

	Plan's Latest Actuarial Valuation Assumptions	112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(b), F.S. Except 2% Higher Investment Return Assumption
A. Valuation Date	9/30/2023	9/30/2023	9/30/2023	9/30/2023
B. Actuarially Determined Contribution (ADC) to Be Paid During Fiscal Year Ending	9/30/2025	9/30/2025	9/30/2025	9/30/2025
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly	Quarterly
D. Total Normal Cost	31.42 %	31.42 %	51.21 %	20.23 %
E. Amortization of Unfunded Actuarial Accrued Liability and F.S., 112.64(5) Compliance	18.63 %	18.63 %	36.22 %	0.40 %
F. Administrative Expenses	1.12 %	1.12 %	1.12 %	1.12 %
G. Total ADC Adjusted for Timing and Frequency of Payments	51.17 %	51.17 %	88.55 %	21.75 %
H. Expected Covered Payroll for Contribution Year	\$ 26,067,612	\$ 26,067,612	\$ 26,067,612	\$ 26,067,612
I. ADC as a Dollar Amount in the Contribution Year: G x H	\$ 13,338,799	\$ 13,338,799	\$ 23,082,870	\$ 5,669,706
J. Member Portion of Contribution	\$ 2,867,437	\$ 2,867,437	\$ 2,867,437	\$ 2,867,437
K. Employer ADC in Contribution Year	\$ 10,471,362	\$ 10,471,362	\$ 20,215,433	\$ 2,802,269
L. Employer ADC as % of Covered Payroll in Contribution Year: K ÷ H	40.17 %	40.17 %	77.55 %	10.75 %
M. Certain Key Assumptions				
Investment Return Assumption	7.00%	7.00%	5.00%	9.00%
Mortality Table	Special Risk Class Mortality Rates from 7/1/22 FRS Valuation	Special Risk Class Mortality Rates from 7/1/22 FRS Valuation	Special Risk Class Mortality Rates from 7/1/22 FRS Valuation	Special Risk Class Mortality Rates from 7/1/22 FRS Valuation