

PENSION BOARD CONSULTANTS, INC.  
CONSULTING, ACTUARIAL & ADMINISTRATIVE SERVICES

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Board of Trustees  
Jacksonville Police and Fire Pension Fund  
One West Adams Street, Suite 100  
Jacksonville, Florida 32202-3616

Senior Staff Voluntary Retirement Plan

Gentlemen:

The following exhibits show the results of our current actuarial valuation of the Senior Staff Voluntary Retirement Plan.

As shown on Exhibit A, the annual cost is \$523,102. Exhibit B shows the assets attributable to this Plan.

Exhibit C outlines the Plan provisions as of October 1, 2011. There have been no Plan changes since the last valuation, dated October 1, 2009.

The assumptions used for this valuation are shown on Exhibit D. Changes in the bases since the last valuation are as follows:

1. The salary scale has been eliminated.
2. The net investment yield was reduced from 8.5% to 7.75% compounded annually.
3. The active employee is assumed to retire in two years.
4. Disability decrements have been eliminated.

If you should have any questions and/or comments, please do not hesitate to call. Best regards.

Cordially yours,



Jarmon Welch, A.S.A.  
President

Attachments

cc: Mr. John Keane  
Ms. Kelly Shelton

Derivation of Normal Actuarial Cost as of October 1, 2011Senior Staff Voluntary Retirement Plan

1. Present Value of Future Benefits	
a. Active Participants	
(i) Retirement	\$1,715,327
(ii) Death	\$48,602
(iii) Disability	\$0
(iv) Total	\$1,763,929
b. Inactive Participants	\$1,582,144
c. Total	\$3,346,073
2. Assets at Market Value	\$2,345,679
3. Present Value Future Normal Cost	\$1,000,394
4. Present Value Future Pay	\$456,500
5. Covered Payroll (i.e., Pay < Maximum Retirement Age)	\$238,702
6. Temporary Annuity Factor ( 4. / 5. )	1.912426
7. Normal Cost	
a. Normal Cost	\$523,102
b. Normal Cost as a % of Covered Payroll	219.14%
c. Expected Employee Contributions	7.00%
d. Employer Normal Cost as a % of Covered Payroll	212.14%

Change in Market Value of Assets  
Senior Staff Voluntary Retirement Plan

	<u>Plan Year</u> <u>10/1/09 - 9/30/10</u>	<u>Plan Year</u> <u>10/1/10 - 9/30/11</u>
(1) Asset Value, BOY	\$1,963,642	\$2,260,118
(2) Contributions	\$134,889	\$142,308
(3) Benefit Payments	\$0	\$7,091
(4) Fund Net Investment Yield	7.70%	-2.07%
(5) Income	\$161,587	(\$49,656)
(6) Asset Value, EOY	\$2,260,118	\$2,345,679

Senior Staff Voluntary Retirement Plan  
as of October 1, 2011

Plan Provisions

1.	Normal Retirement	Age 65 with 5 years of service.
2.	Early Retirement	Age 60 with 5 years of service. Benefits reduced 0.5% per month before age 65.
3.	Pre-retirement withdrawal benefit	Employee contributions without interest and money purchase funds transferred.
4.	Vesting	After completion of five years service.
5.	Service	From date of employment to retirement at age 65.
6.	Final Average Earnings	Average of last 24 months.
7.	Benefit Percentage	3.0% for each year of service.
8.	Pre-Retirement Spouse's Death Benefit*	49.5% of final average earnings payable for life.
9.	Post-Retirement Spouse's Death Benefit	75% of retiree benefit for life.
10.	Cost of Living Increases	3% per year.
11.	Disability Benefit*	60% of final average earnings payable for life.
12.	Employee Contributions	7.0% of covered payroll
13.	Health Insurance Subsidy	Upon retirement, \$5 per month for each year of actual credited service (max \$150 per month).

\* Provided in lieu of 3 above.

Senior Staff Voluntary Retirement Plan  
as of October 1, 2011

Actuarial Assumptions

Mortality: Pre and Postretirement: RP-2000 Combined Healthy Mortality Table, separate by sex; Projection Scale AA to valuation date.

Net Investment Yield: 7.75% compounded annually.

Salary Scale: None.

COLA: 3.0% compounded annually.

Percent Married: 100%.

Retirement Ages: The active employee is assumed to retire in two years.

Age Differences for Spouses of Employed: Females are 3 years younger than males.

Changes Since the July 1, 2009 Valuation:

1. The salary scale has been eliminated.
2. The net investment yield was reduced from 8.5% to 7.75% compounded annually.
3. The active employee is assumed to retire in two years.
4. Disability decrements have been eliminated.