

## **KEY FEATURES OF THE GULLIFORD PENSION PROPOSAL**

- The ordinance enacts a package of pension benefits very close to the benefits proposed in Ordinance 2015-54, creating differing benefits for Group I employees (current or hired before a threshold date) and Group II employees (new employees hired after the threshold date).
- Group I members will initially pay 8% of salary as the employee contribution (up from the current 7%), plus an additional 2% when the pay reductions imposed several years ago (2% reduction to firefighters effective October 1, 2010; 3% reduction to police officers effective January 1, 2012) are restored.
- The guaranteed return on investment on DROP accounts for Group I members with 20 or more years of service as of the ordinance effective date will remain at 8.4%; the return for Group I members with less than 20 years of service will be the actual net rate of return after deduction of all direct and related expenses, with a minimum of 2% and a maximum of 14.4%. Group II members are eligible to participate in a BACKDROP program
- The annual Cost of Living Adjustment (COLA) for members with 20 or more years of service as of the effective date of the ordinance will remain an automatic 3% per year beginning the first year after retirement; the COLA for Group I members with less than 20 years of service as of the effective date will be the Social Security COLA for that year, capped at 6%. The COLA for Group II members shall be the Social Security COLA for that year capped at 1.5%, beginning the third year after retirement.
- The ordinance creates a 5-member PFPF Financial Investment and Advisory Committee to provide advice and oversight to the PFPF board on financial matters, actuarial assumptions, investment strategy and policies and the selection of outside investment managers.
- The ordinance requires that the PFPF Board annually, by January 31<sup>st</sup>, produce financial statements for the fund's previous fiscal year in the form prescribed by the Florida Division of and submit those statements to the Mayor, City Council President, City Finance Director, City Council Auditor, and the Treasurer of the PFPF Board in addition to making the required annual report to the Florida Department of Management Services' Division of Retirement.

## **SUBSTANTIVE DIFFERENCES BETWEEN THE GULLIFORD PROPOSAL AND 2015-54**

- The ordinance removes any references to the PFPF's Senior Staff Voluntary Retirement Plan.
- The ordinance waives the City Council's right to unilaterally impose benefit changes (including pension benefits) at the end of a bargaining impasse process for a period of 7 years.
- The ordinance establishes a mechanism whereby the PFPF Board agrees to match City employer contributions made in excess of the City's annual required contribution for the purpose of accelerating the pay-down of the unfunded accrued actuarial liability (UAAL) on a dollar-for-dollar basis, up to a maximum of \$20 million per year, using funds available to the PFPF from Chapter 175/185 funds and from the pension stabilization fund.