

**City of Miami General Employees’
And Sanitation Employees’
Retirement Trust
Staff Pension Plan**



**Actuarial Valuation
Report**

Prepared as of October 1, 2025



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January 30, 2026

Board of Trustees
City of Miami General Employees' and
Sanitation Employees' Retirement Trust Staff Pension Plan
2901 Bridgeport Avenue
Coconut Grove, Florida 33133

Dear Members of the Board:

We have performed an actuarial valuation of the City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan for the plan year beginning October 1, 2025 for the purpose of determining the minimum required contribution for the 2026/2027 fiscal year. This report reflects the benefit and funding provisions in effect as of October 1, 2025.

Our calculations were prepared based on member data and financial information provided by the Retirement Trust office. We found this information to be reasonably consistent and comparable with information provided in prior years. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

The asset values used to determine unfunded liabilities are not market values but less volatile market related values. A smoothing technique is applied to market values to determine the market related values. The unfunded liability amounts using the market value of assets would be different. The interest rate used for determining liabilities is based on the expected return on assets. Therefore, liability amounts in this report cannot be used to assess a settlement of the obligation.

This actuarial valuation 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 and, in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the Retirement Trust and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the Retirement Trust.



Future actuarial results may differ significantly from the current results 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. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render actuarial opinions contained herein.

Respectfully submitted,

Todd B. Green, ASA, EA, FCA, MAAA
President
Enrolled Actuary No. 23-8883

Micki R. Taylor, ASA, EA, FCA, MAAA
Consulting Actuary
Enrolled Actuary No. 23-5975



BOARD SUMMARY

This report presents the results of the actuarial valuation of the City of Miami General Employees' and Sanitation Employees' Retirement Trust Staff Pension Plan for the plan year beginning October 1, 2025. The purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2025, to determine the minimum required contribution amount for the 2026/2027 fiscal year, and to satisfy State requirements. In addition, this report provides a record of any plan amendments or other plan changes affecting the financial status of the fund. There were no changes for the October 1, 2025 valuation.

Currently, the trust receives contributions from the City of Miami and from active members. The amount of the City contribution varies from year to year, while the member contributions are equal to 10% of payroll. The required contribution from the City, after taking into account expected member contributions, is summarized below with a comparison to the previous valuation.

Valuation Date	October 1, 2025	October 1, 2024
Total Required City Contribution	\$307,471	\$403,999
Percent of Covered Payroll	38.68%	57.66%
Date Payable	October 1, 2026	October 1, 2025
Fiscal Year	2027	2026

Actuarial Standard of Practice Number 4 (ASOP 4) requires the disclosure of a reasonable Actuarial Determined Contribution (ADC). Based on the assumptions and methods used in this report, the ADC is reasonable with respect to ASOP 4.

The City Ordinance requires that as a minimum, all fiscal year contributions made by the City to the Retirement Trust shall be made quarterly, in equal payments, on the first day of each quarter. On this basis, the total required City contribution for the 2026/2027 fiscal year is \$315,316, and the City is required to make minimum quarterly contributions of \$78,829 beginning on October 1, 2026.

The valuation is based on a series of actuarial assumptions, including an interest rate of 7.00% per year (beginning October 1, 2024) and annual pay increases of 6.00%. Experience gains and losses result when the actual experience of the plan (such as asset return, pay increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions.

The plan's unfunded liability was projected to be \$1,278,826 as of October 1, 2025 based on actual contributions from the City totaling \$366,242, as determined by the October 1, 2024 valuation. However, the actual unfunded liability is \$660,116, reflecting a decrease of \$618,710. This decrease is primarily attributed to favorable investment performance. The City's cost to amortize the unfunded actuarial accrued liability decreased by \$115,181. A detailed summary of the amortization payments can be found in Table III.





BOARD SUMMARY

A summary of the results of the valuation and the contribution requirements is presented in Table I. The disclosure information required by Chapter 112, Florida Statutes, is presented in Table VI. Tables VIIa through VIIc provide information about the fund's assets and historical contributions. In particular, Table VIIa provides an asset reconciliation between October 1, 2024 and October 1, 2025 and calculation of the actuarial value of assets. Table VIIb provides a breakdown of the fund assets by investment type and Table VIIc provides a historical record of the asset growth. Tables VIIIa through VIIIe provide a variety of useful information concerning the participant population. Table VIIIf provides information to be included in the Annual Comprehensive Financial Report.

Tables IX and Table X provide a description of the actuarial assumptions and plan provisions reflected in the valuation.





SUMMARY OF VALUATION RESULTS

TABLE I

	As of October 1, 2024	As of October 1, 2025
1. Number of Members		
a. Active Members	9	9
b. Inactive Members (due contribs. refund)	2	2
c. Deferred Vested Members	0	0
d. Retired Members:		
i. Non-disabled	7	7
ii. Disabled	0	0
iii. Beneficiaries	0	0
iv. Sub-total	7	7
e. Total Members	18	18
2. Total Annual Compensation	\$700,671	\$794,972
3. Total Annual Benefit Payments	\$343,434	\$350,233
4. Derivation of Normal Cost		
a. Present Value of Future Benefits	\$9,505,005	\$10,196,234
b. Actuarial Value of Assets	\$6,394,027	\$7,683,716
c. Actuarial Accrued Liability	\$7,800,660	\$8,343,832
d. PV of Future Member Contributions	\$569,539	\$617,144
e. PV of Future Normal Costs	\$1,134,806	\$1,235,258
f. Present Value of Future Payroll	\$5,695,388	\$6,171,436
g. Normal Cost Accrual Rate	21.81%	21.57%
h. Normal Cost	\$152,789	\$171,442
5. Unfunded Liability		
a. Actuarial Accrued Liability	\$7,800,660	\$8,343,832
b. Actuarial Value of Assets	\$6,394,027	\$7,683,716
c. Unfunded Liability	\$1,406,633	\$660,116
(item 5.a. minus 5.b., not less than zero)		
6. Total Required Minimum City Contribution	2025/2026 Fiscal Year	2026/2027 Fiscal Year
a. Normal Cost	\$152,789	\$171,442
b. Amortization of Unfunded Liability	\$251,210	\$136,029
c. Minimum Required Contribution	\$403,999	\$307,471
As a percentage of covered payroll	57.66%	38.68%
7. Total Recommended Contribution		
Payable Quarterly	\$414,306	\$315,316
Quarterly	\$103,577	\$78,829
On	October 1, 2025	October 1, 2026
Fiscal Year	2026	2027





GAIN AND LOSS ANALYSIS

TABLE II

1. Actual Unfunded Accrued Liability as of October 1, 2024	\$1,406,633
2. Plan sponsor normal cost for this plan year	\$142,793
3. Interest on 1. and 2.	\$108,460
4. Plan sponsor contribution for this plan year (including amounts expected to be paid)	(\$366,242)
5. Interest on 4.	(\$12,818)
6. Changes due to:	
a. assumptions/methods	\$0
b. plan amendments	\$0
c. actuarial (gain)/loss	(\$618,710)
	(\$618,710)
7. Total current unfunded actuarial accrued liability 1.+ 2.+ 3.+ 4.+ 5.+ 6.	\$660,116
8. Items Affecting Calculation of Accrued Liability	
a. Plan provisions reflected in the unfunded accrued liability (see Table Xa)	
b. Plan amendments reflected in item 6.b. above (see Table Xb)	
c. Actuarial assumptions and methods used to determine actuarial accrued liability and normal cost (see Table IXa)	
d. Changes in actuarial assumptions and methods reflected in item 6.a. above (see Table IXb)	





UNFUNDED LIABILITY BASES

TABLE III

Date Established		Original Amount	Outstanding Balance as of October 1, 2024	2024/2025 Amortization Payment	Outstanding Balance as of October 1, 2025	2025/2026 Amortization Payment	Years Remaining as of October 1, 2025
	Initial Unfunded	\$358,553	\$144,914	\$30,402	\$124,656	\$30,402	5
2005/06	Method Change	(\$179,695)	(\$32,018)	(\$17,709)	(\$16,550)	(\$17,709)	1
2007/08	Method Change	\$25,806	\$8,546	\$2,523	\$6,621	\$2,523	3
2009/10	Experience Loss	\$440,911	\$46,718	\$49,988	\$0	\$0	0
2009/10	Assumption Change	\$12,123	\$5,607	\$1,176	\$4,823	\$1,176	5
2010/11	Experience Loss	\$14,196	\$2,899	\$1,603	\$1,499	\$1,604	1
2010/11	Assumption Change	\$40,569	\$21,137	\$3,922	\$18,695	\$3,922	6
2011/12	Experience Loss	\$903,668	\$266,729	\$101,638	\$183,762	\$101,637	2
2011/12	Assumption Change	\$52,232	\$30,054	\$5,033	\$27,125	\$5,033	7
2012/13	Experience Loss	\$29,884	\$11,345	\$3,349	\$8,790	\$3,349	3
2012/13	Assumption Change	\$53,561	\$33,531	\$5,147	\$30,731	\$5,146	8
2013/14	Experience Gain	(\$71,073)	(\$26,155)	(\$6,379)	(\$21,607)	(\$6,379)	4
2013/14	Assumption Change	\$55,418	\$37,303	\$5,311	\$34,603	\$5,311	9
2013/14	Change EAN	(\$13,991)	(\$6,412)	(\$1,564)	(\$5,297)	(\$1,564)	4
2014/15	Experience Gain	(\$669,753)	(\$355,832)	(\$74,652)	(\$306,088)	(\$74,652)	5
2014/15	Assumption Change	\$49,974	\$35,833	\$4,779	\$33,562	\$4,778	10
2015/16	Experience Gain	(\$72,337)	(\$43,355)	(\$8,045)	(\$38,345)	(\$8,045)	6
2015/16	Plan Change-Active	\$19,748	\$14,969	\$1,885	\$14,132	\$1,885	11
2015/16	Plan Change-Inactive	\$408,645	\$244,921	\$45,446	\$216,619	\$45,446	6
2015/16	Assumption Change	\$101,320	\$76,801	\$9,669	\$72,508	\$9,669	11
2016/17	Experience Loss	\$32,238	\$21,362	\$3,577	\$19,280	\$3,577	7
2017/18	Experience Gain	(\$147,746)	(\$106,589)	(\$16,360)	(\$97,690)	(\$16,360)	8
2018/19	Experience Gain	(\$33,453)	(\$25,964)	(\$3,697)	(\$24,084)	(\$3,697)	9
2019/20	Experience Loss	\$3,917	\$3,240	\$432	\$3,035	\$432	10
2019/20	Assumption Change	\$84,514	\$75,643	\$8,007	\$72,931	\$8,007	15
2020/21	Experience Gain	(\$153,209)	(\$133,995)	(\$16,870)	(\$126,505)	(\$16,870)	11
2021/22	Experience Loss	\$187,959	\$172,723	\$20,666	\$164,148	\$20,667	12
2021/22	Assumption Change	\$121,481	\$115,488	\$11,481	\$112,091	\$11,481	17
2022/23	Experience Loss	\$308,034	\$295,916	\$33,836	\$282,794	\$33,837	13
2022/23	Assumption Change	\$133,911	\$130,698	\$12,645	\$127,202	\$12,645	18
2023/24	Experience Loss	\$118,308	\$118,308	\$12,990	\$113,600	\$12,990	14
2023/24	Assumption Change	\$222,268	\$222,268	\$20,981	\$216,846	\$20,981	19
2024/25	Experience Gain*	(\$593,771)	\$0	\$0	(\$593,771)	(\$65,193)	15
			\$1,406,633	\$251,210	\$660,116	\$136,029	

Date	Projected Unfunded Liability
October 1, 2025	\$660,116
October 1, 2026	\$570,294
October 1, 2027	\$458,077
October 1, 2028	\$439,643
October 1, 2044	\$0

*The total experience loss (gain) for the 2024/2025 plan year of (\$618,710) is offset by contribution timing differences adjusted for interest equal to \$24,939.





1. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as % of Covered Payroll [(b) - (a)]/(c)
10/1/2016	3,467,469	4,901,160	1,433,691	70.75%	225,148	636.78%
10/1/2017	3,720,759	5,092,724	1,371,965	73.06%	280,425	489.24%
10/1/2018	4,115,851	5,253,408	1,137,557	78.35%	320,720	354.69%
10/1/2019	4,460,274	5,479,928	1,019,654	81.39%	387,761	262.96%
10/1/2020	4,784,393	5,779,260	994,867	82.79%	417,671	238.19%
10/1/2021	5,371,655	6,081,414	709,759	88.33%	433,844	163.60%
10/1/2022	5,626,710	6,517,152	890,442	86.34%	567,464	156.92%
10/1/2023	5,892,319	7,106,901	1,214,582	82.91%	644,175	188.55%
10/1/2024	6,394,027	7,800,660	1,406,633	81.97%	700,671	200.76%
10/1/2025	7,683,716	8,343,832	660,116	92.09%	794,972	83.04%

2. Method and assumptions used in calculations of actuarially determined contributions

Valuation date:	October 1, 2025
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar amounts, closed
Remaining amortization period:	1 to 19 years
Asset valuation method:	3-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.00%
Projected salary increases	6.00%, including 3.50% wage inflation
*Includes inflation at	2.50%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum





PRESENT VALUE OF ACCRUED BENEFITS

TABLE V

Shown below is the development of the Total Present Value of Accrued Benefits for the Plan. The calculations were performed using the Plan's interest rate of 7.00% which was first adopted for the October 1, 2024 valuation.

1. Actuarial Present Value of Accrued Benefits

	<u>As of October 1, 2024</u>	<u>As of October 1, 2025</u>
a. Vested Accrued Benefits:		
i. Retired members, beneficiaries, and deferred vested members	\$5,212,267	\$5,281,679
ii. Active and inactive members*	\$1,919,633	\$2,255,289
iii. Sub-total	<u>\$7,131,900</u>	<u>\$7,536,968</u>
b. Non-vested Accrued Benefits	<u>\$131,549</u>	<u>\$213,981</u>
c. Total Benefits	<u>\$7,263,449</u>	<u>\$7,750,949</u>

2. Statement of Changes in Total Actuarial Present Value of All Accrued Benefits

a. Actuarial Present Value as of October 1, 2024	\$7,263,449
b. Increase (Decrease) During 2024/2025 Plan Year Attributable to:	
i. Interest	\$496,089
ii. Benefits accumulated/experience	\$344,337
iii. Benefits paid	(\$352,926)
iv. Plan amendments	\$0
v. Changes in actuarial assumptions or methods	\$0
vi. Net increase (decrease)	<u>\$487,500</u>
c. Actuarial Present Value as of October 1, 2025	<u>\$7,750,949</u>

3. Items Affecting Calculation of Actuarial Present Value of Accrued Benefits

- a. Plan provisions reflected in the accrued benefits (see Table Xa)
- b. Plan amendments reflected in item 2.b.iv. above (see Table Xb)
- c. Actuarial assumptions and methods used to determine present values (see Table IXa)
- d. Changes in actuarial assumptions and methods reflected in item 2.b.v. above (see Table IXb)

* The actuarial present value of vested benefits for active and inactive members includes nonforfeitable accumulated member contributions in the amount of \$628,393 as of October 1, 2024 and \$721,414 as of October 1, 2025.





	<u>Actuarial Valuation prepared as of:</u>	
	<u>October 1, 2024</u>	<u>October 1, 2025</u>
1. Participant Data		
a. Active members:		
i. Number	9	9
ii. Total annual payroll	\$700,671	\$794,972
b. Retired members (other than disabled):		
i. Number	7	7
ii. Total annualized benefit	\$343,434	\$350,233
c. Beneficiaries receiving benefits:		
i. Number	0	0
ii. Total annualized benefit	\$0	\$0
d. Disabled members receiving benefits:		
i. Number	0	0
ii. Total annualized benefit	\$0	\$0
e. Terminated vested and inactive members:		
i. Number	2	2
ii. Total annualized benefit	\$0	\$0
2. Assets		
a. Actuarial value of assets	\$6,394,027	\$7,683,716
b. Market value of assets	\$7,328,206	\$8,378,303
3. Liabilities		
a. Present value of all future expected benefit payments:		
i. Active and inactive members:		
Retirement benefits	\$1,706,869	\$4,806,460
Return of contributions	\$2,585,869	\$108,095
Total	\$4,292,738	\$4,914,555
ii. Terminated vested members	\$0	\$0
iii. Retired members and beneficiaries:		
Retired (other than disabled) and beneficiaries	\$5,212,267	\$5,281,679
Disabled members	\$0	\$0
Total	\$5,212,267	\$5,281,679
iv. Total present value of all future expected benefit payments	\$9,505,005	\$10,196,234





	<u>Actuarial Valuation prepared as of:</u>	
	<u>October 1, 2024</u>	<u>October 1, 2025</u>
7. Other disclosures		
a. Present value of active members':		
i. Future salaries:		
at attained age	\$5,695,388	\$6,171,436
at entry age	N/A	N/A
ii. Future contributions:		
at attained age	\$569,539	\$617,144
at entry age	N/A	N/A
b. Present value of future normal contributions from City	\$1,134,806	\$1,235,258
c. Present value of future expected benefit payments for active members at entry age	N/A	N/A
d. Amount of active and inactive members' accumulated contributions	\$628,393	\$721,414





DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

TABLE VIIa

Valuation Date October 1:	2024	2025	2026	2027
A. Actuarial Value Beginning of Year	\$5,892,319	\$6,394,027		
B. Market Value End of Year	7,328,206	8,378,303		
C. Market Value Beginning of Year	5,675,822	7,328,206		
D. Cash Flow				
D1. Contributions	\$370,831	\$449,734		
D2. Benefit Payments	(335,435)	(352,926)		
D3. Other Expenses	0	0		
D4. Investment Expenses	0	0		
D5. Net	<u>35,396</u>	<u>96,808</u>		
E. Investment Income				
E1. Market Total: B. - C. - D5.	1,616,988	953,289		
E2. Assumed Rate	7.15%	7.00%		
E3. Amount for Immediate Recognition	407,087	516,363		
E4. Amount for Phased-In-Recognition	1,209,901	436,926		
F. Phased-In-Recognition of Investment Income				
F1. Current Year: 33 1/3% x E4.	403,300	145,642	\$0	0
F2. First Prior Year	127,576	403,300	145,642	\$0
F3. Second Prior Year	(471,651)	127,576	403,303	145,642
F4. Total Recognized Investment Gain	<u>\$59,225</u>	<u>\$676,518</u>	<u>\$548,945</u>	<u>\$145,642</u>
G. Preliminary Actuarial Value End of Year				
A. + D5. + E3. + F4.	\$6,394,027	\$7,683,716		
H. Corridor				
H1. 80% of Market Value	5,862,565	6,702,642		
H2. 120% of Market Value	8,793,847	10,053,964		
I. Actuarial Value End of Year				
G. Not Less than H1. or Not Greater than H2.	\$6,394,027	\$7,683,716		
J. Difference Between Market & Actuarial Values	\$934,179	\$694,587	\$145,642	\$0
K. Market Value Rate of Return	28.40%	12.92%		
L. Actuarial Value Rate of Return	7.89%	18.52%		





ASSETS OF THE FUND

TABLE VIIb

	As of October 1, 2024	As of October 1, 2025
Market Value of Assets*		
1. Cash equivalents (0%)	\$0	\$0
2. U.S. government & agency securities (0%)	\$0	\$0
3. Corporate bonds (21.3%)	\$1,652,171	\$1,786,215
4. Corporate stock (77.4%)	\$5,653,241	\$6,485,207
5. Real estate fund (0%)	\$0	\$0
6. Total invested assets (98.7%)	\$7,305,412	\$8,271,422
7. Cash (1.2%)	\$21,099	\$101,014
8. Fixed assets (0%)	\$0	\$0
9. Receivable member contributions (0%)	\$0	\$0
10. Accrued interest and other receivable (0.1%)	\$5,000	\$5,000
11. Accounts payable (0%)	(\$3,305)	\$867
12. Other payables (0%)	\$0	\$0
13. Market value of assets (100%)	\$7,328,206	\$8,378,303

* The percentages in parentheses indicate the proportion of assets committed to each type of investment as of October 1, 2025.

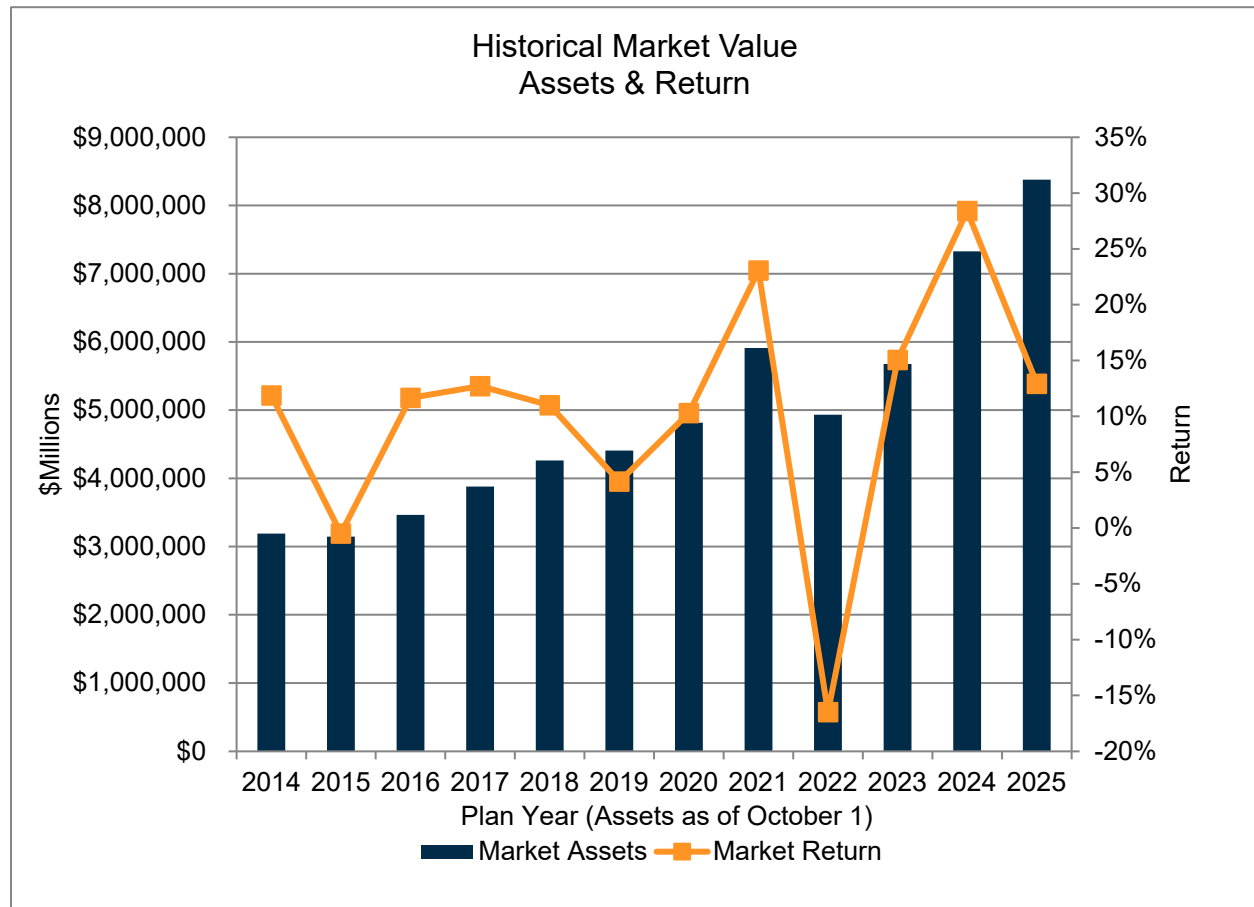
	Year Ending October 1, 2024	Year Ending October 1, 2025
Realized gains and (losses)	\$64,707	\$30,783
Unrealized gains and (losses)	\$1,420,715	\$772,272





HISTORICAL ASSET INFORMATION

TABLE VIIc



Plan Year	Market Value as of October 1	Actuarial Value as of October 1	Benefit Payments	Other Expenses	City and Member Contributions	Market Value Return	Actuarial Value Return
2013/2014	\$2,848,086	\$2,687,241	(\$311,388)	\$0	\$315,345	11.87%	13.80%
2014/2015	\$3,190,324	\$3,062,215	(\$340,299)	\$0	\$310,925	(0.49)%	7.76%
2015/2016	\$3,145,336	\$3,269,345	(\$332,554)	\$0	\$288,370	11.66%	7.11%
2016/2017	\$3,465,231	\$3,467,469	(\$295,460)	\$0	\$271,991	12.71%	8.01%
2017/2018	\$3,880,536	\$3,720,759	(\$308,761)	\$0	\$265,863	11.00%	11.84%
2018/2019	\$4,262,009	\$4,115,851	(\$305,180)	\$0	\$273,126	4.16%	9.18%
2019/2020	\$4,406,610	\$4,460,274	(\$310,171)	\$0	\$266,587	10.30%	8.28%
2020/2021	\$4,814,603	\$4,784,393	(\$312,565)	\$0	\$300,673	23.06%	12.54%
2021/2022	\$5,911,391	\$5,371,655	(\$334,629)	\$0	\$331,465	(16.49)%	4.81%
2022/2023	\$4,933,554	\$5,626,710	(\$330,259)	\$0	\$329,670	15.06%	4.73%
2023/2024	\$5,675,822	\$5,892,319	(\$335,435)	\$0	\$370,831	28.40%	7.89%
2024/2025	\$7,328,206	\$6,394,027	(\$352,926)	\$0	\$449,734	12.92%	18.52%
2025/2026	\$8,378,303	\$7,683,716					





SUMMARY OF MEMBER DATA

TABLE VIIIa

	As of October 1, 2024	As of October 1, 2025
1. Active Members	9	9
2. Non-active, Non-Retired Members		
a. Fully vested	0	0
b. Non-vested	2	2
c. Sub-total	<u>2</u>	<u>2</u>
3. Retired Members		
a. Non-disabled	7	7
b. Disabled	0	0
c. Beneficiaries	0	0
d. Sub-total	<u>7</u>	<u>7</u>
4. Total Members	<u>18</u>	<u>18</u>

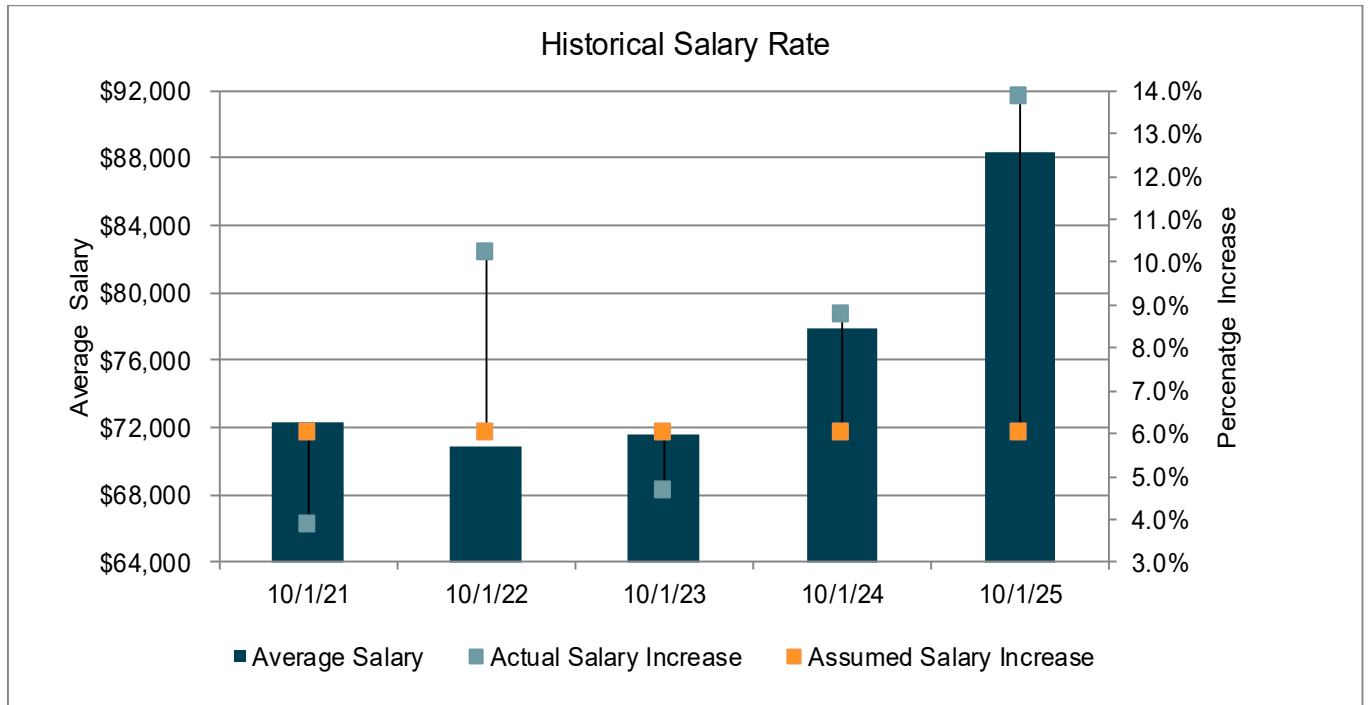




	<u>Active</u>	<u>Non-Active Non-Retired</u>	<u>Retired</u>	<u>Total</u>
1. Number of members as of October 1, 2024	9	2	7	18
<hr/>				
2. Change in status during the plan year:				
a. Actives who became inactive				
b. Actives/Inactive who retired				
c. Active/Inactive who became disabled				
d. Inactives who became active				
e. Non Vested Terms	(1)			(1)
f. Returned to work				
3. No longer members due to:				
a. Death				
b. Refund of contributions				
c. Correction in status				
4. New member due to				
a. Initial membership	1			1
b. Death of another member				
c. Omitted last year				
<hr/>				
5. Number of members as of October 1, 2025	9	2	7	18

Retired group contains 0 members in DROP as of October 1, 2025.





Date	Average Salary	Actual Salary Increase	Assumed Salary Increase
10/1/21	72,307	3.87%	6.00%
10/1/22	70,933	10.21%	6.00%
10/1/23	71,575	4.66%	6.00%
10/1/24	77,852	8.77%	6.00%
10/1/25	88,330	13.84%	6.00%

Active Members as of October 1, 2025

	<u>Number</u>	<u>Annual Compensation</u>
Males	4	\$422,578
Females	5	\$372,394
Total	9	\$794,972
Average Annual Compensation		\$88,330
Average Entry Age		33.78
Average Years of Service		8.44





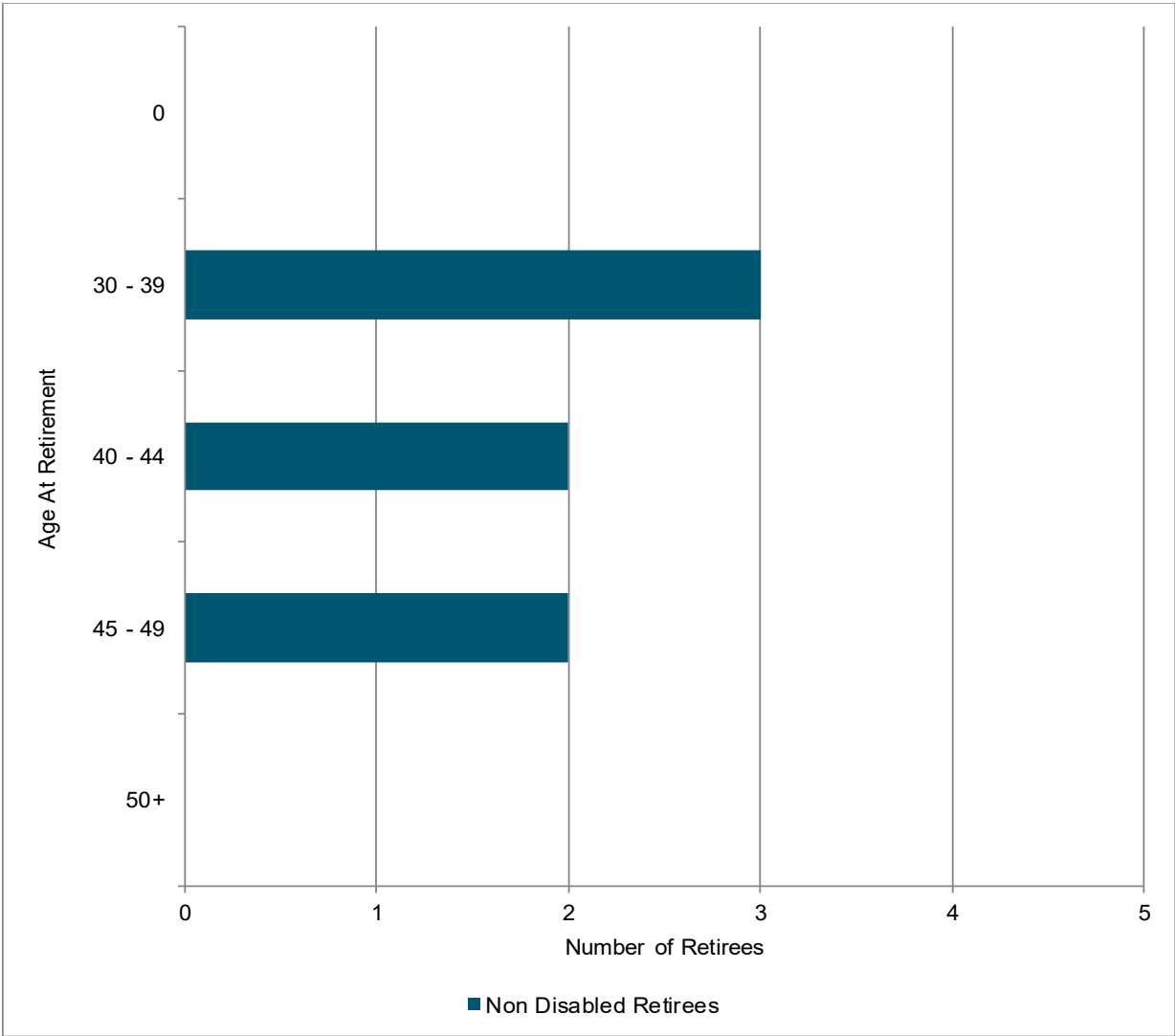
AGE-SERVICE SALARY TABLE

TABLE VIII

Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	1	1	0	0	0	0	0	0	0	0	2
Avg. Pay*	0	68,849	67,180	0	0	0	0	0	0	0	0	68,015
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	1	0	0	0	0	0	0	0	0	0	0	1
Avg. Pay*	58,300	0	0	0	0	0	0	0	0	0	0	58,300
40 to 44	0	0	1	0	0	0	0	0	0	0	0	1
Avg. Pay*	0	0	84,807	0	0	0	0	0	0	0	0	84,807
45 to 49	0	1	0	1	1	1	0	0	0	0	0	4
Avg. Pay*	0	65,452	0	63,355	101,440	212,292	0	0	0	0	0	110,635
50 to 54	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0	0
55 to 59	0	1	0	0	0	0	0	0	0	0	0	1
Avg. Pay*	0	73,297	0	0	0	0	0	0	0	0	0	73,297
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0	0
65 & Up	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	3	2	1	1	1	0	0	0	0	0	9
Avg. Pay*	58,300	69,200	75,993	63,355	101,440	212,292	0	0	0	0	0	88,330

* The average pay shown is the average of the annual rate of pay as of October 1, 2025 excluding any overtime pay or other special compensation.





Average benefit being paid to non-disabled retirees is \$4,169.44 per month.





ANNUAL COMPREHENSIVE FINANCIAL REPORT INFORMATION

TABLE VIII

Solvency Test

Valuation Date	Aggregate Accrued Liabilities for			Reported Assets Actuarial Value	Portion of Accrued Liabilities Covered by Reported Assets		
	Active Member Contributions	Retirants and Beneficiaries	Active Member (Employer Financed Portion)		(1)	(2)	(3)
	(1)	(2)	(3)				
September 30, 2016	\$159,339	\$4,319,323	\$422,498	\$3,467,469	100%	77%	0%
September 30, 2017	\$192,415	\$4,397,343	\$502,966	\$3,720,759	100%	80%	0%
September 30, 2018	\$224,747	\$4,443,412	\$585,249	\$4,115,851	100%	88%	0%
September 30, 2019	\$273,963	\$4,500,263	\$705,702	\$4,460,274	100%	93%	0%
September 30, 2020	\$329,021	\$4,570,649	\$879,590	\$4,784,393	100%	97%	0%
September 30, 2021	\$387,294	\$4,673,914	\$1,020,206	\$5,371,655	100%	100%	30%
September 30, 2022	\$439,811	\$4,895,214	\$1,182,127	\$5,626,710	100%	100%	25%
September 30, 2023	\$526,162	\$5,049,073	\$1,531,666	\$5,892,319	100%	100%	21%
September 30, 2024	\$628,393	\$5,212,267	\$1,960,000	\$6,394,027	100%	100%	28%
September 30, 2025	\$721,414	\$5,281,679	\$2,340,739	\$7,683,716	100%	100%	72%





Analysis of Financial Experience
Gains & Losses in Accrued Liabilities During Year Ending September 30
Resulting from Differences Between Assumed Experience & Actual Experience

\$ Gain (or Loss) For Year Ending September 30	2025
Age & Service Retirements If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pay, a loss.	\$34,352
Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, a loss.	(602)
Death-In-Service Retirements If survivor claims are less than assumed, there is a gain. If more claims, a loss.	(2,808)
Withdrawal From Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(22,881)
Pay Increases and Data Adjustments If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(153,204)
Contribution Income If more contributions are received than expected, there is a gain. If less, a loss.	(24,332)
Investment Income If there is greater investment income than assumed, there is a gain. If less income, a loss.	741,911
Death After Retirement If retirants live longer than assumed, there is a loss. If not as long, a gain.	(4,562)
New Members	-
Other Miscellaneous gains and losses resulting from timing of financial transactions, valuation methods, increase in maximum benefit limits, etc.	\$(19,865)
Gain (or Loss) During Year From Financial Experience	<u>\$593,771</u>
Non-Recurring Items Adjustments for plan amendments, assumption changes, etc.	<u>0</u>
Composite Gain (or Loss) During Year	\$593,771





RISK CONSIDERATIONS

A typical retirement plan faces many different risks, but the greatest risk is the inability to make benefit payments when due. If plan assets are depleted, benefits may not be paid which could create legal and litigation risk or the plan could become “pay as you go.” The term “risk” is most commonly associated with an outcome with undesirable results. However, in the actuarial world, risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. ASOP 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions.

The various risk factors for a given plan can have a significant impact – positive or negative – on the actuarial projection of liability and contribution rates.

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and price inflation;
- demographic risks such as mortality, payroll growth, aging population including impact of baby boomers, and retirement ages;
- contribution risk, i.e., the potential for contribution rates to be too high for the plan sponsor/employer to pay and
- external risks such as the regulatory and political environment.

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions equal to the full actuarial contribution rate each year. The Plan is primarily funded by member and employer contributions to the trust fund, together with the earnings on these accumulated contributions. These contributions fund benefit accruals for current active members and administrative expenses. The remainder of the contributions amortizes the unfunded actuarial accrued liability. The required contribution rate is the sum of the rates for the normal cost for the plan and the amortization of the unfunded actuarial accrued liability. The required contribution rate is sensitive to increases in the UAAL and periods of lower-than-expected returns would lead to much higher contribution rates as a percentage of payroll.





RISK CONSIDERATIONS

The other significant risk factor for the Plan is investment return because of the volatility of returns and the size of plan assets compared to payroll. A perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the average return for the same period. This is to be expected, given the underlying capital market assumptions and the Plan's asset allocation. To the extent market rates of interest affect the expected return on assets, there is a risk of change to the discount rate which determines the present value of liabilities and actuarial valuation results.

A key demographic risk for the Plan is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions reflect a margin for improvement in mortality experience, these assumptions are refined every experience study. The risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, as we have recently seen with COVID-19, a public health crisis can result in a significant number of additional deaths in a short period of time, which can influence plan liabilities and future funding needs. While either of these events could happen, it represents a small probability and thus represents much less risk than the volatility associated with investment returns.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we must now include a low-default-risk obligation measure of the Plan's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of this plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of September 30, 2025 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$9.7 million. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan.





1. Actuarial Cost Method

The modified individual entry age normal cost method. Under this method, normal costs are determined on the individual entry age normal method. However, if the actuarial value of assets exceeds the entry age accrued liability, the individual entry age normal cost rate for the Plan shall be adjusted by the excess actuarial value of assets divided by the present value of future payroll, in order for the unfunded accrued liability to not be less than zero.

2. Decrements

• Pre-Retirement Mortality

Female: PUB-2010 Headcount Weighted General Employee Female Table
Male: PUB-2010 Headcount Weighted General Employee Male Table, set back 1 year
Projection Scale: MP-2021 (fully generational)

• Post-Retirement Healthy Mortality

Female: PUB-2010 Headcount Weighted General Healthy Retiree Female Table
Male: PUB-2010 Headcount Weighted General Healthy Retiree Male Table, set back 1 year
Projection Scale: MP-2021 (fully generational)

• Post-Retirement Disabled Mortality

Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 4 years
Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 4 years
Projection Scale: MP-2021 (fully generational)

• Disability

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table. Disability decrements do not compete with retirement.

Table with 8 columns: Age, Rate, Age, Rate, Age, Rate, Age, Rate. Rows show rates for ages 20, 25, 30, 35, 40, 45, 50, 55.





• Permanent Withdrawal from Active Status

Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table.

Age	Completed Years of Service					
	0	1	2	3	4	5 or more
20	12.0%	10.5%	9.0%	7.2%	6.0%	5.3%
25	12.0%	10.5%	9.0%	7.2%	6.0%	4.6%
30	12.0%	10.5%	9.0%	7.2%	6.0%	4.0%
35	12.0%	10.5%	9.0%	7.2%	6.0%	3.4%
40	11.4%	9.9%	8.4%	6.6%	5.4%	2.6%
45	10.8%	9.3%	7.8%	6.0%	4.8%	2.0%
50	10.2%	8.7%	7.2%	5.4%	4.2%	1.3%
55	9.9%	8.4%	6.9%	5.1%	3.9%	1.0%

• Retirement

Representative values of the assumed annual rates of retirement among members in active service are set forth in the following table.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	15%	50	20%	55	30%	60	20%	65	20%
46	15%	51	20%	56	20%	61	20%	66	20%
47	15%	52	20%	57	20%	62	20%	67	20%
48	15%	53	20%	58	20%	63	20%	68	20%
49	15%	54	20%	59	20%	64	20%	69	20%
								70	100%

20% is added to the rates in the table when the member first reaches Rule of 70 eligibility.

3. Interest Rate

7.00% per annum, compounded annually, including inflation.

4. Salary Increases

Salaries are assumed to increase at the rate of 6.00% per annum, including 3.5% wage inflation. There is no assumed total active member payroll increase.

5. Inflation

2.5% per annum.





6. Spouses

40% of active members are assumed to be married with the husband 3 years older than his wife.

7. Expenses

The City shall provide for the non-investment expenses of the Plan. However, there may be some non-investment expenses during the Plan year which will be reimbursed by the City after the end of the year. An allowance for other expenses is made in that the interest rate assumption is net of investment expenses.

8. Assets

The actuarial value of assets is based on a moving market value averaged over three years. Each year, the market value is projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One third of the difference between the projected market value and the market value plus prior deferrals is added to the projected actuarial value. The remaining two thirds is deferred to each of the next two years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value.

As of October 1, 2000 the actuarial value is equal to the estimated present value of employee payments to purchase credit for service to the effective date of the Plan (July 1, 2001).

9. Funding Period (Pursuant to Chapter 112, Florida Statutes)

The following amortization periods apply all as level dollar amounts:

Benefit improvements for actives	20 years
Benefit improvements for retirees	15 years
Actuarial gain/loss	15 years
Change in assumptions and methods	20 years

The Plan’s initial unfunded actuarial accrued liability as of October 1, 2000 is amortized over 30 years.

10. Maximum Benefit

The valuation reflects the maximum benefit limits under Internal Revenue Code Section 415, indexed in future years at the 2.5% per year assumed rate of inflation.





ASSUMPTION AND METHOD CHANGES

TABLE IXb

The following assumptions have been changed during the last few plan years:

Effective October 1, 2006:

Upgrade in actuarial valuation software and change to a more standard version of the entry age actuarial cost method.

Effective October 1, 2010:

Retirement rates were updated to reflect the adoption of a Deferred Retirement Option Program (DROP). Rates were changed from 50% to 65% for the Pension Administrator upon reaching Rule of 70 eligibility; 20% was added to the current rates upon reaching Rule of 70 eligibility for other members.

The marriage assumption was changed from 80% for all members to 0% for the Pension Administrator and 40% for all other members.

Effective October 1, 2011:

The interest rate assumption was lowered from 8.10% to 8.00%. The interest rate assumption of 8.00% will be first reflected in the development of the actuarial value of assets as of October 1, 2012.

The interest rate for the calculation of the present value of accrued benefits was changed to 7.75% in accordance with Florida Statutes Chapter 2011-216.

Effective October 1, 2012:

The interest rate assumption was lowered from 8.00% to 7.90%. The interest rate assumption of 7.90% will be first reflected in the development of the actuarial value of assets as of October 1, 2013.

Effective October 1, 2013:

The interest rate assumption was lowered from 7.90% to 7.80%. The interest rate assumption of 7.80% will be first reflected in the development of the actuarial value of assets as of October 1, 2014.

Effective October 1, 2014:

The interest rate assumption was lowered from 7.80% to 7.70%. The interest rate assumption of 7.70% will be first reflected in the development of the actuarial value of assets as of October 1, 2015.





ASSUMPTION AND METHOD CHANGES

TABLE IXb

Effective October 1, 2015:

The interest rate assumption was lowered from 7.70% to 7.60%. The interest rate assumption of 7.60% will be first reflected in the development of the actuarial value of assets as of October 1, 2016.

Effective October 1, 2016:

The mortality assumptions used by the Florida Retirement System were adopted as required by HB 1309. The updated assumptions are as follows:

- Pre-Retirement Mortality
Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB
- Post-Retirement Healthy Mortality
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB
Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB
- Post-Retirement Disabled Mortality
Female: RP2000, 100% Disabled Female set forward two years, no projection scale
Male: RP2000, 100% Disabled Male setback four years, no projection scale

The actuarial value of asset method was updated to reflect differences in the projected market value and the actual market value rather than differences in the projected actuarial value versus the actual market value.

Effective October 1, 2020:

The interest rate assumption was lowered from 7.60% to 7.45%.

Updated mortality to comply with Florida Statute 112.63(1)(f). The mortality tables adopted are listed below:

- Pre-Retirement Mortality
Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table
Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year
Projection Scale: MP-2018





- Post-Retirement Healthy Mortality
Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table
Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year
Projection Scale: MP-2018
- Post-Retirement Disabled Mortality
Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years
Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years
Projection Scale: MP-2018

Effective October 1, 2022:

The interest rate assumption was lowered from 7.45% to 7.30%.

Effective October 1, 2023:

The interest rate assumption was lowered from 7.30% to 7.15%.

Effective October 1, 2024:

The interest rate assumption was lowered from 7.15% to 7.00%.

Updated mortality to comply with Florida Statute 112.63(1)(f). The mortality tables adopted are listed below:

- Pre-Retirement Mortality
Female: PUB-2010 Headcount Weighted General Employee Female Table
Male: PUB-2010 Headcount Weighted General Employee Male Table, set back 1 year
Projection Scale: MP-2021 (fully generational)
- Post-Retirement Healthy Mortality
Female: PUB-2010 Headcount Weighted General Healthy Retiree Female Table
Male: PUB-2010 Headcount Weighted General Healthy Retiree Male Table, set back 1 year
Projection Scale: MP-2021 (fully generational)
- Post-Retirement Disabled Mortality
Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 4 years
Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 4 years
Projection Scale: MP-2021 (fully generational)





1. Plan Effective Date

The original plan effective date is July 1, 2001.

2. Membership

An administrative staff employee of the City of Miami GESE Retirement Trust becomes a member upon employment unless he/she is a member of any other pension or retirement system supported wholly or in part by the City. An employee ceases to be a member if (i) he/she is absent from service for more than three years of any five consecutive year period, (ii) he/she withdraws his/her contributions, (iii) he/she becomes a member of any other City-sponsored retirement Plan or (iv) he/she becomes a beneficiary or dies.

3. Membership Service

Service as an employee for which contributions were made.

4. Creditable Service

Sum of Membership Service, Prior Service, and Military Service.

5. Compensation

Employee's base salary, including pick-up contributions. Compensation for pension purposes does not include the cash payment at retirement for accumulated unused leaves, such as, vacation and sick leave.

6. Member Contributions

10% of compensation.

7. Average Final Compensation

Average annual compensation during highest two years of membership service.

8. Basic Retirement Benefit

3% of Average Final Compensation multiplied by Creditable Service. In addition, the benefit is increased by 5% at retirement.





9. Normal Retirement

- **Eligibility**
10 years of continuous Creditable Service.
- **Benefit Amount**
The basic retirement benefit.
- **Forms of Payment**

Normal Forms of Payment

Option 6(a): Lump-sum payment of member’s accumulated contributions plus a monthly service retirement benefit equal to 50% of the amount to which he would have been otherwise entitled;

Option 6(b): Monthly service retirement benefit for member’s lifetime equal to 105% of the amount to which he would have been otherwise entitled;

Option 6(c): Monthly service retirement benefit for member’s lifetime equal to the amount to which he was entitled, provided that, upon his death, 40% of that amount would continue to be paid to his surviving spouse for the lifetime of such spouse.

Actuarially Reduced Forms of Payment

Option 2 – Equal Payment Survivor Annuity: Reduced joint and 100% survivor annuity;

Option 3 – One-Half Payment Survivor Annuity: Reduced joint and 50% survivor annuity

10. Minimum Retired Death Benefit

A retired member who dies prior to having received 12 monthly retirement payments and prior to having an optional allowance becoming effective will have a lump sum equal to the excess, if any, of 12 times the monthly payments over the actual payments received paid to his designated beneficiary.

11. Return of Contributions

A member who terminates employment and is not eligible for any other benefit shall receive a refund of his accumulated contributions. If a member dies in active service, his beneficiary shall receive a refund of his accumulated contributions except as otherwise noted in this section.





12. Deferred retirement option program ("DROP"):

Any employee who has 10 or more years of service is eligible to participate in the DROP. Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan but may continue City employment for up to a maximum of 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

Upon termination of employment, a participant may receive payment from the DROP account in a lump-sum distribution or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a)(9) of the Internal Revenue Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement. If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance.

13. Cost-of-Living Adjustment

Effective October 1, 2016, the annual cost-of-living benefit will be 4% of the total benefit with minimum increases of \$54 per year and maximum increases of \$400 per year deferred five years from date of retirement or DROP entry date.





1. Miami GESE Retirement Trust Staff Pension Plan implemented a Deferred Retirement Option Plan (DROP) for any employees having 10 or more years of service, which was approved by the Board of Trustees at its meeting on March 26, 2010.
2. Miami GESE Retirement Trust Staff Pension Plan approved a cost-of-living adjustment effective October 1, 2016 equal to 4% of the total benefit with minimum increases of \$54 per year and maximum increases of \$400 per year deferred five years from date of retirement or DROP entry date.





We have identified that there is one retired member from the City of Miami GESE Retirement Trust Staff Pension Plan (“Staff Pension Plan”) receiving benefits in excess of the maximum benefit limitations for the calendar year 2026 under Internal Revenue Code (IRC) Section 415(b)(1)(A).

Section 415 of the Internal Revenue Code (IRC) limits the benefits payable from pension plans. The IRC was amended to allow government agencies to establish an Excess Benefit Plan to pay pension benefits over the maximum limits. The GESE Board has adopted an Excess Benefit Plan for the members of the GESE Retirement Trust Staff Pension Plan.

As a qualified pension plan, the Staff Pension Plan can only pay benefits up to the maximum benefit limits imposed by IRC Section 415. The Staff Excess Benefit Plan provides for the payment of the excess of the total benefit earned under the Staff Pension Plan without regard to the maximum benefit limit over the benefit payable from the Staff Pension Plan as limited by IRC Section 415.

2026 City Contribution Requirement for Staff Excess Benefit Plan

We have determined that for calendar year 2026 there is one retired member from the Staff Pension Plan receiving benefits in excess of the maximum benefit limitations under Internal Revenue Code (IRC) Section 415(b)(1)(A). Our calculations are based on:

- The data reported by the Retirement Trust for use in our October 1, 2025 actuarial valuation.
- The assumption that for the retiree, all of the contributions to the Staff Plan were “picked up.”
- The maximum annual dollar limitations for the year 2026 under IRC Section 415(b)(1)(A). The maximum amount increased from \$280,000 to \$290,000 from 2025 to 2026.
- Calculation of the excess benefits payable reflecting lump sum payments and rollovers from the DROP.

The amount of Staff Excess Benefit Plan expected to be paid in 2026 with respect to the one retired member amounts to \$16,457.59.





We have assumed the City's payment schedule for the Staff Excess Benefit Plan will follow the same approach as with the GESE Excess Benefit Plan. Our understanding of the City's payment schedule is as follows:

- Retirement benefits in 2026 will be paid solely from the Staff Pension Plan until the month when the retiree reaches the maximum benefit for the year.
- In the month that the maximum is reached, the retiree will receive a portion of his or her pension from the Staff Pension Plan and a portion from the Staff Excess Benefit Plan.
- After the month that the maximum is reached, the retiree will receive his or her entire pension from the Staff Excess Benefit Plan.

We also understand that the City intends to transfer funds to the Staff Excess Benefit Plan in two phases to cover the benefits payable in 2026.

1. Sufficient funds to provide for excess benefit payments from January through September 2026. This amounts to a payment from the City to the Staff Excess Benefit Plan of \$0 since the first excess payment will be paid in November 2026.
2. The amount to cover excess benefits payable from October through December 2026. The City's funding requirement for this period amounts to \$16,457.59 payable in time for the Staff Excess Benefit Plan administrator to issue the October excess pensions.

In addition, the City should transfer to the Staff Excess Benefit Plan Trust the amount required to pay for the administrative expenses of the plan.

It is our understanding that lump sum DROP payments and rollovers from the DROP must be combined with the regular Staff Pension Plan benefits for purposes of applying the IRC Section 415 maximum benefit limit. In these circumstances, the employees' DROP account balance is converted to an annuity for Section 415 testing purposes and added to the annuity otherwise payable to the employee from the Trust. The amount of this combined annuity benefit must not exceed the limit on benefits under Section 415 of the Code at that time. We recommend that you consult with legal counsel on this issue.

Note that DROP benefits are reflected in the 2026 excess benefits we have calculated based on the DROP information you have provided.

