Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

CITY OF MIAMI GENERAL EMPLOYEES' AND SANITATION EMPLOYEES' RETIREMENT TRUST STAFF PENSION PLAN

Actuarial Valuation Report
as of
October 1, 2023

www.CavMacConsulting.com

TABLE OF CONTENTS

		Page Number
Letter to the Board of Trustees		1
Liabilities		
Table I	Summary of Valuation Results	4
Table II	Gain and Loss Analysis	5
Table III	Unfunded Liability Bases	6
Table IV	Additional Disclosures	7
Table V	Present Value of Accrued Benefits	8
Table VI	Information Req. by Florida Statute (Chap.112)	9
Assets		
Table VIIa	Development of Actuarial Value of Assets	12
Table VIIb	Assets of the Fund	13
Table VIIc	Historical Asset Information	14
Data		
Table VIIIa	Summary of Member Data	15
Table VIIIb	Data Reconciliation	16
Table VIIIc	Active Data	17
Table VIIId	Age-Service-Salary Table	18
Table VIIIe	Retiree Data	19
Table VIIIf	Annual Comprehensive Financial Report Information	20
Risk Considerations	Risk Considerations	22
Assumptions		
Table IXa	Actuarial Assumptions and Methods	24
Table IXb	Assumption and Method Changes	28
Plan Provisions		
Table Xa	Plan Provisions	31
Table Xb	Plan Amendments	34
Staff Excess Benefit Plan	Staff Excess Benefit Plan	35

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

January 26, 2024

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:

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, 2023. The purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2023, to determine the minimum required contribution amount for the 2024/2025 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. Our calculations were prepared based on member data and financial information provided by the Retirement Trust office.

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.

Summary of Valuation Results

Currently, the trust receives contributions from the City of Miami and from active members. The amount of the City contributions varies from year to year, while the member contributions are equal to 10.00% of payroll. After taking into account expected member contributions, the total required contribution from the City is $366,242, or 56.85% of covered payroll, for the 2025 fiscal year payable on October 1, 2024. In comparison, the required contribution for the 2024 fiscal year was $290,226, or 51.14% of covered payroll.

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 2024/2025 fiscal year is $375,781, and the City is required to make minimum quarterly contributions of $93,945 beginning on October 1, 2024.

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144
Phone (678) 388-1700 • Fax (678) 388-1730
www.CavMacConsulting.com
Offices in Kennesaw, GA • Bellevue, NE

The valuation is based on a series of actuarial assumptions, including an interest rate of 7.15% per year (beginning October 1, 2023) 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 $796,419 as of October 1, 2023, taking into account actual contributions from the City of $257,061 based on the October 1, 2022 valuation. The actual unfunded liability is $1,214,582. The increase of $418,163 in the unfunded liability is primarily due to unfavorable investment performance on the actuarial value of assets and a decrease in the assumed interest rate from 7.30% to 7.15%. The total increase in City contribution to amortize the unfunded liability is $52,561 per year. A summary of the amortization payments is presented in Table III.

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, 2022 and October 1, 2023 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.

Discussion of Valuation Assumptions, Assets, Methods, Plan Provisions

HB 1309 passed by the Florida Legislature requires the use of the mortality tables used by the Florida Retirement System. These tables were updated for the October 1, 2020 valuation of the Staff Pension Plan. A description of the tables can be found in Table IXa.

To promote stability in annual required contribution amounts to the Staff Plan, the actuarial asset method used for valuation purposes is a smoothed market value averaged over three years. The assets used in the valuation are based on an actuarial value of $5,892,319 as of October 1, 2023. The market value of assets as of October 1, 2023 reported by the Retirement Trust Office is $5,675,822. Table VIIa presents a calculation of the actuarial value of assets.

A summary of the actuarial assumptions and methods used in our valuation is presented in Table IXa; the enclosed Table Xa presents a summary of the plan provisions of the Staff Pension Plan. The discount rate was reduced from 7.30% to 7.15% for the October 1, 2023 valuation. There have been no changes in the benefit provisions of the Plan since the previous valuation.

Florida Requirements and Accounting Information

The information required under Florida Statutes, Chapter 112 is presented in Table VI.

The enclosed Table IV presents additional disclosure information including the Schedule of Funding Progress.

Actuarial Certification

This actuarial valuation was prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my 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

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

Micki R. Taylor

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

TBG/dc

	As of October 1, 2022	As of October 1, 2023
1. Number of Members		
a. Active Members	8	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	17	18
2. Total Annual Compensation	$567,464	$644,175
3. Total Annual Benefit Payments	$332,735	$338,797
4. Derivation of Normal Cost		
a. Present Value of Future Benefits	$7,808,505	$8,643,918
b. Actuarial Value of Assets	$5,626,710	$5,892,319
c. Actuarial Accrued Liability	$6,517,152	$7,106,901
d. PV of Future Member Contributions	$474,390	$540,614
e. PV of Future Normal Costs	$816,963	$996,403
f. Present Value of Future Payroll	$4,743,897	$5,406,142
g. Normal Cost Accrual Rate	18.93%	20.32%
h. Normal Cost	$107,419	$130,874
5. Unfunded Liability		
a. Actuarial Accrued Liability	$6,517,152	$7,106,901
b. Actuarial Value of Assets	$5,626,710	$5,892,319
c. Unfunded Liability (item 5.a. minus 5.b., not less than zero)	$890,442	$1,214,582
6. Total Required Minimum City Contribution	**2023/2024 Fiscal Year**	**2024/2025 Fiscal Year**
a. Normal Cost	$107,419	$130,874
b. Amortization of Unfunded Liability	$182,807	$235,368
c. Minimum Required Contribution	$290,226	$366,242
As a percentage of covered payroll	51.14%	56.85%
7. Total Recommended Contribution		
Payable Quarterly	$297,939	$375,781
Quarterly	$74,485	$93,945
On	October 1, 2023	October 1, 2024
Fiscal Year	2024	2025

GAIN AND LOSS ANALYSIS — TABLE II

1. Actual Unfunded Accrued Liability as of October 1, 2022	$890,442
2. Plan sponsor normal cost for this plan year	$100,111
3. Interest on 1. and 2.	$72,310
4. Plan sponsor contribution for this plan year (including amounts expected to be paid)	($257,061)
5. Interest on 4.	($9,383)
6. Changes due to a. + b. + c. + d.	
a. assumptions/methods	$133,911
b. plan amendments	$0
c. actuarial (gain)/loss	$284,252
	$418,163
7. Total current unfunded actuarial accrued liability 1. + 2. + 3. + 4. + 5. + 6.	$1,214,582

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 items 6.a. and 6.c. above (see Table IXb)

UNFUNDED LIABILITY BASES

TABLE III

Date Established		Original Amount	Outstanding Balance as of October 1, 2022	2022/2023 Amortization Payment	Outstanding Balance as of October 1, 2023	2023/2024 Amortization Payment	Years Remaining as of October 1, 2023
	Initial Unfunded	$358,553	$181,223	$30,703	$163,749	$30,543	7
2005/06	Method Change	($179,695)	($59,871)	($17,795)	($46,446)	($17,747)	3
2007/08	Method Change	$25,806	$12,004	$2,542	$10,338	$2,531	5
2007/08	Experience Gain	($56,365)	($6,013)	($6,452)	$0	$0	0
2008/09	Experience Loss	$149,129	$30,637	$17,016	$15,858	$16,992	1
2009/10	Experience Loss	$440,911	$130,922	$50,162	$90,317	$50,057	2
2009/10	Assumption Change	$12,123	$7,012	$1,188	$6,336	$1,182	7
2010/11	Experience Loss	$14,196	$5,419	$1,611	$4,204	$1,606	3
2010/11	Assumption Change	$40,569	$25,510	$3,966	$23,406	$3,943	8
2011/12	Experience Loss	$903,668	$415,944	$102,261	$344,047	$101,917	4
2011/12	Assumption Change	$52,232	$35,293	$5,095	$32,774	$5,063	9
2012/13	Experience Loss	$29,884	$15,936	$3,374	$13,725	$3,361	5
2012/13	Assumption Change	$53,561	$38,529	$5,215	$36,127	$5,179	10
2013/14	Experience Gain	($71,073)	($34,316)	($6,434)	($30,387)	($6,405)	6
2013/14	Assumption Change	$55,418	$42,118	$5,388	$39,805	$5,348	11
2013/14	Change EAN	($13,991)	($8,412)	($1,577)	($7,449)	($1,570)	6
2014/15	Experience Gain	($669,753)	($444,986)	($75,389)	($402,081)	($74,998)	7
2014/15	Assumption Change	$49,974	$39,877	$4,853	$37,935	$4,814	12
2015/16	Experience Gain	($72,337)	($52,323)	($8,134)	($48,009)	($8,087)	8
2015/16	Plan Change-Active	$19,748	$16,458	$1,916	$15,743	$1,900	13
2015/16	Plan Change-Inactive	$408,645	$295,584	$45,949	$271,213	$45,684	8
2015/16	Assumption Change	$101,320	$84,439	$9,830	$80,773	$9,747	13
2016/17	Experience Loss	$32,238	$25,084	$3,621	$23,294	$3,598	9
2017/18	Experience Gain	($147,746)	($122,479)	($16,578)	($114,842)	($16,464)	10
2018/19	Experience Gain	($33,453)	($29,315)	($3,750)	($27,705)	($3,722)	11
2019/20	Experience Loss	$3,917	$3,606	$439	$3,430	$435	12
2019/20	Assumption Change	$84,514	$80,442	$8,171	$78,143	$8,087	17
2020/21	Experience Gain	($153,209)	($147,320)	($17,150)	($140,924)	($17,005)	13
2021/22	Experience Loss	$187,959	$187,959	$21,030	$180,650	$20,843	14
2021/22	Assumption Change	$121,481	$121,481	$11,736	$118,613	$11,606	19
2022/23	Experience Loss	$308,034	$0	$0	$308,034	$34,142	15
2022/23	Assumption Change	$133,911	$0	$0	$133,911	$12,788	20
			$890,442	**$182,807**	**$1,214,582**	**$235,368**	

Date	Projected Unfunded Liability
Date	Libability
October 1, 2023	$1,214,582
October 1, 2024	$1,066,055
October 1, 2025	$923,900
October 1, 2026	$821,644

*The total experience loss (gain) for the 2022/2023 plan year of $284,252 is offset by contribution timing differences adjusted for interest equal to $23,782.

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)
10/1/2014	3,062,215	4,852,691	1,790,476	63.10%	164,547	1088.12%
10/1/2015	3,269,345	4,335,005	1,065,660	75.42%	172,459	617.92%
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%

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

Valuation date:	October 1, 2023
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar amounts, closed
Remaining amortization period:	1 to 20 years
Asset valuation method:	3-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.15%
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

Shown below is the development of the Total Present Value of Accrued Benefits for the Plan. The calculations were performed using the Plan's discount rate of 7.30% for October 1, 2022 and 7.15% which was adopted for the October 1, 2023 valuation.

1. Actuarial Present Value of Accrued Benefits

	As of October 1, 2022	As of October 1, 2023
a. Vested Accrued Benefits:		
i. Retired members, beneficiaries, and deferred vested members	$4,895,214	$5,049,073
ii. Active and inactive members*	$1,184,006	$1,522,482
iii. Sub-total	$6,079,220	$6,571,555
b. Non-vested Accrued Benefits	$95,426	$71,742
c. Total Benefits	$6,174,646	$6,643,297

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

a. Actuarial Present Value as of October 1, 2022	$6,174,646
b. Increase (Decrease) During 2022/2023 Plan Year Attributable to:	
i. Interest	$438,695
ii. Benefits accumulated/experience	$233,948
iii. Benefits paid	($330,259)
iv. Plan amendments	$0
v. Changes in actuarial assumptions or methods	$126,267
vi. Net increase (decrease)	$468,651
c. Actuarial Present Value as of October 1, 2023	$6,643,297

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 $439,811 as of October 1, 2022 and $526,162 as of October 1, 2023.*

	Actuarial Valuation prepared as of:		
	October 1, 2022	October 1, 2023	October 1, 2023
		Before Assumption Changes	After Assumption Changes
1. Participant Data			
a. Active members:			
i. Number	8	9	9
ii. Total annual payroll	$567,464	$644,175	$644,175
b. Retired members (other than disableds):			
i. Number	7	7	7
ii. Total annualized benefit	$332,735	$338,797	$338,797
c. Beneficiaries receiving benefits:			
i. Number	0	0	0
ii. Total annualized benefit	$0	$0	$0
d. Disabled members receiving benefits:			
i. Number	0	0	0
ii. Total annualized benefit	$0	$0	$0
e. Terminated vested and inactive members:			
i. Number	2	2	2
ii. Total annualized benefit	$0	$0	$0
2. Assets			
a. Actuarial value of assets	$5,626,710	$5,892,319	$5,892,319
b. Market value of assets	$4,933,554	$5,675,822	$5,675,822
3. Liabilities			
a. Present value of all future expected benefit payments:			
i. Active and inactive members:			
Retirement benefits	$2,818,557	$3,388,262	$3,489,672
Return of contributions	$94,734	$105,009	$105,173
Total	$2,913,291	$3,493,271	$3,594,845
ii. Terminated vested members	$0	$0	$0
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	$4,895,214	$4,957,138	$5,049,073
Disabled members	$0	$0	$0
Total	$4,895,214	$4,957,138	$5,049,073
iv. Total present value of all future expected benefit payments	$7,808,505	$8,450,409	$8,643,918

	Actuarial Valuation prepared as of:		
	October 1, 2022	October 1, 2023 Before Assumption Changes	October 1, 2023 After Assumption Changes
b. Actuarial accrued liability	$6,517,152	$6,972,990	$7,106,901
c. Unfunded actuarial accrued liability (please reference Table III for details concerning the unfunded liability bases and schedule of amortization payments)	$890,442	$1,080,671	$1,214,582
4. Actuarial Present Value of Accrued Benefits (please reference Table V for details concerning the present value of accrued benefits)	$6,174,646	$6,517,030	$6,643,297
5. Pension Cost			
a. Normal cost contributed by City	$107,419	$125,271	$130,874
b. Payment to amortize unfunded liability	$182,807	$223,720	$235,368
c. Subtotal (not less than zero)	$290,226	$348,991	$366,242
d. Normal cost contributed by members	$56,746	$64,418	$64,418
e. Total required contribution	$346,972	$413,409	$430,660
As a percentage of payroll:	61.14%	64.18%	66.85%
f. Amount to be contributed by members	$56,746	$64,418	$64,418
As a percentage of payroll:	10.00%	10.00%	10.00%
g. Amount to be contributed by City	$290,226	$348,991	$366,242
As a percentage of payroll:	51.14%	54.18%	56.85%

	Fiscal Year		
6. Past Contributions	2021/2022	2022/2023	2022/2023
a. Required contribution	$331,465	$329,670	$329,670
b. Actual contribution made by:			
i. City of Miami	$277,952	$257,061	$257,061
ii. Members	$53,513	$72,609	$72,609

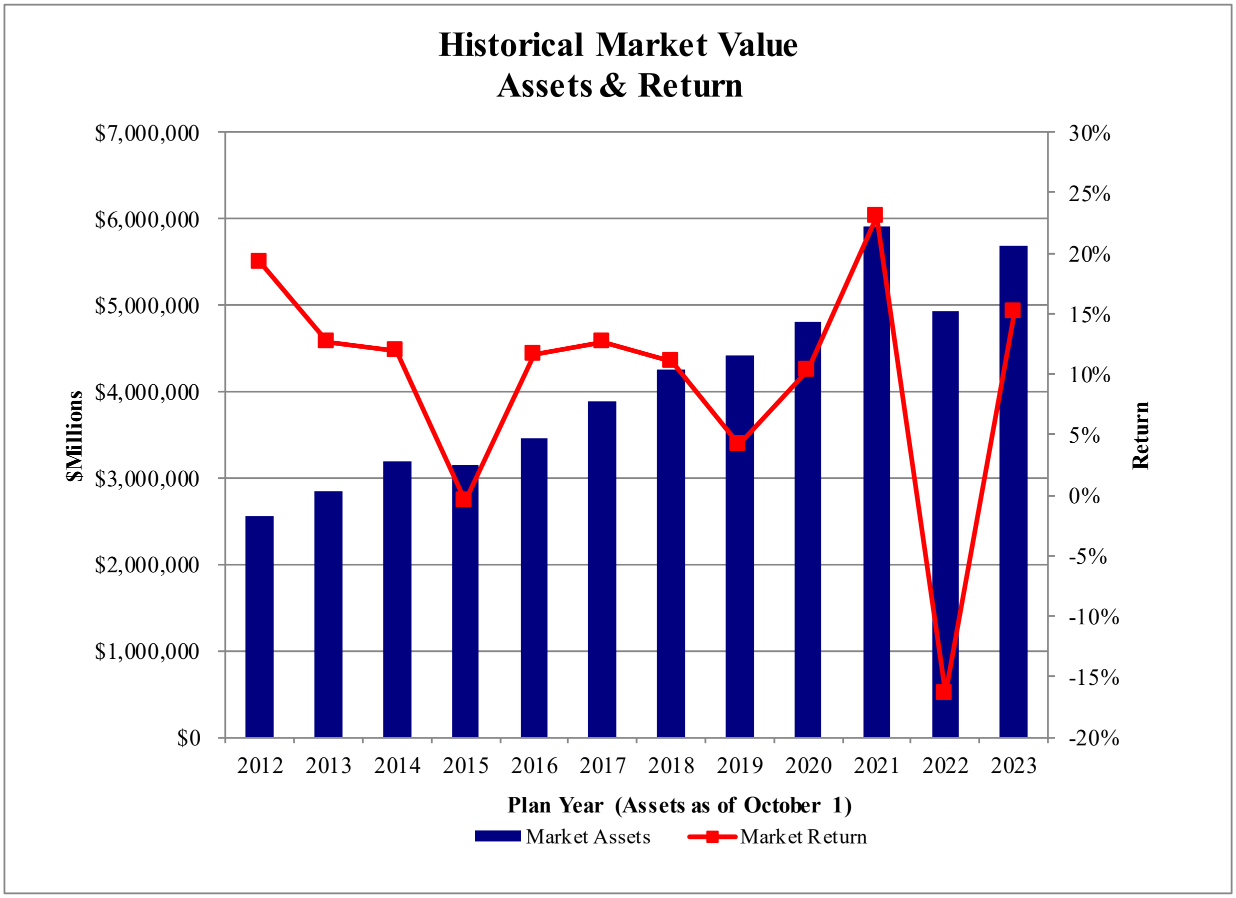
	Actuarial Valuation prepared as of:		
	October 1, 2022	October 1, 2023	October 1, 2023
7. Other disclosures		Before Assumption Changes	After Assumption Changes
a. Present value of active members':			
i. Future salaries:			
at attained age	$4,743,897	$5,358,416	$5,406,142
at entry age	N/A	N/A	N/A
ii. Future contributions:			
at attained age	$474,390	$535,842	$540,614
at entry age	N/A	N/A	N/A
b. Present value of future normal contributions from City	$816,963	$941,577	$996,403
c. Present value of future expected benefit payments for active members at entry age	N/A	N/A	N/A
d. Amount of active and inactive members' accumulated contributions	$439,811	$526,162	$526,162

Valuation Date October 1:	2022	2023	2024	2025
A. Actuarial Value Beginning of Year	$5,371,655	$5,626,710		
B. Market Value End of Year	4,933,554	5,675,822		
C. Market Value Beginning of Year	5,911,391	4,933,554		
D. Cash Flow				
D1. Contributions	331,465	$329,670		
D2. Benefit Payments	(334,629)	(330,259)		
D3. Other Expenses	0	0		
D4. Investment Expenses	0	(54)		
D5. Net	(3,164)	(643)		
E. Investment Income				
E1. Market Total: B. - C. - D5.	(974,673)	742,911		
E2. Assumed Rate	7.45%	7.30%		
E3. Amount for Immediate Recognition	440,281	360,182		
E4. Amount for Phased-In-Recognition	(1,414,954)	382,729		
F. Phased-In-Recognition of Investment Income				
F1. Current Year: 33 1/3% x E4.	(471,651)	127,576	$0	0
F2. First Prior Year	250,145	(471,651)	127,576	$0
F3. Second Prior Year	39,444	250,145	(471,651)	127,576
F4. Total Recognized Investment Gain	($182,062)	($93,930)	($344,075)	$127,576
G. Actuarial Value End of Year				
A. + D5. + E3. + F4.	5,626,710	5,892,319		
H. Difference Between Market & Actuarial Values	($693,156)	($216,497)	$127,576	$0
I. Market Value Rate of Return	-16.49%	15.06%		
J. Actuarial Value Rate of Return	4.81%	4.73%		

	As of October 1, 2022	As of October 1, 2023
1. Market Value of Assets*		
a. Cash equivalents (0%)	$0	$0
b. U.S. government & agency securities (0%)	$0	$0
c. Corporate bonds (21.4%)	$1,136,465	$1,217,444
d. Corporate stock (77.4%)	$3,717,014	$4,390,375
e. Real estate fund (0%)	$0	$0
f. Total invested assets (98.8%)	$4,853,479	$5,607,819
g. Cash (1.1%)	$76,105	$65,738
h. Fixed assets (0%)	$0	$0
i. Receivable member contributions (0%)	$0	$0
j. Accrued interest and other receivable (0.1%)	$5,000	$5,000
k. Accounts payable (0%)	($1,030)	($2,735)
l. Other payables (0%)	$0	$0
m. Market value of assets (100%)	$4,933,554	$5,675,822

* *The percentages in parentheses indicate the proportion of assets committed to each type of investment as of October 1, 2023.*

	Year Ending October 1, 2022	Year Ending October 1, 2023
Realized gains and (losses)	$8,290	$9,967
Unrealized gains and (losses)	$(1,084,127)	$621,448

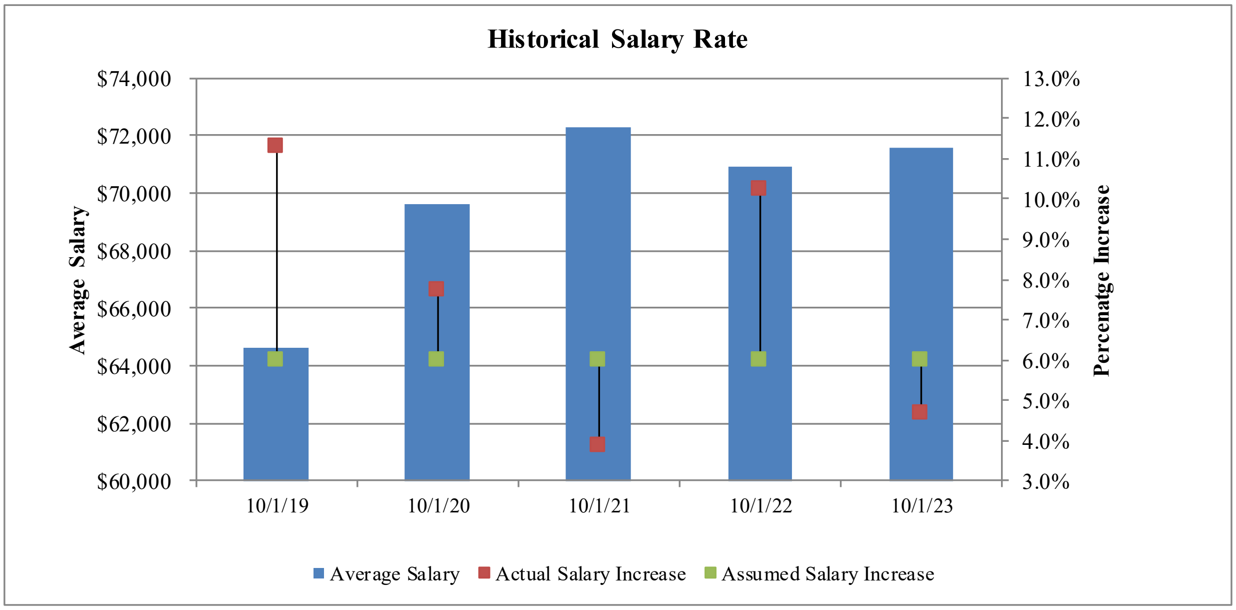


Plan Year	Market Value as of October 1	Actuarial Value as of October 1	Benefit Payments	Other Expenses	City and Member Contributions	Market Value Return	Actuarial Value Return
2011/2012	$2,050,377	$2,136,978	($210,582)	$0	$318,782	19.16%	9.59%
2012/2013	$2,561,830	$2,455,245	($281,818)	$0	$248,154	12.57%	10.89%
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					

	As of October 1, 2022	As of October 1, 2023
1. Active Members	8	9
2. Non-active, Non-Retired Members		
a. Fully vested	0	0
b. Non-vested	2	2
c. Sub-total	**2**	**2**
3. Retired Members		
a. Non-disabled	7	7
b. Disabled	0	0
c. Beneficiaries	0	0
d. Sub-total	**7**	**7**
4. Total Members	**17**	**18**

	Active	Non-Active Non-Retired	Retired	Total
1. Number of members as of October 1, 2022	**8**	**2**	**7**	**17**
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				
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			
b. Death of another member				
c. Omitted last year				
5. Number of members as of October 1, 2023	**9**	**2**	**7**	**18**

Retired group contains 0 members in DROP as of October 1, 2023.



Date	Average Salary	Actual Salary Increase	Assumed Salary Increase
10/1/19	64,627	11.29%	6.00%
10/1/20	69,612	7.71%	6.00%
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%

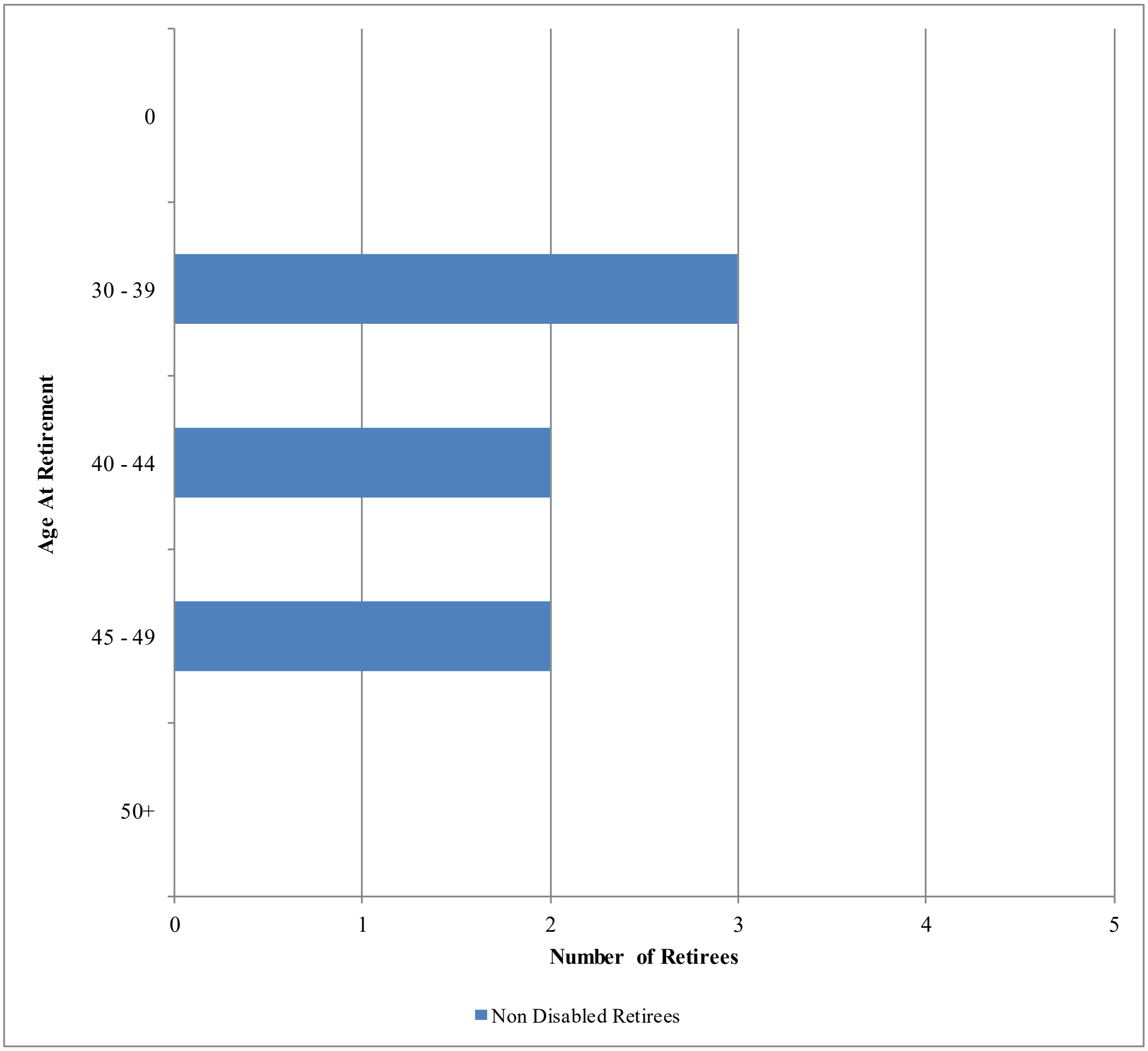
Active Members as of October 1, 2023

	Number	Annual Compensation
Males	4	$ 354,414
Females	5	$ 289,761
Total	9	$ 644,175

Average Annual Compensation	$71,575
Average Entry Age	33.23
Average Years of Service	6.44

Attained Age	Completed Years of Service										
	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	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0
25 to 29	1	2	0	0	0	0	0	0	0	0	3
Avg. Pay*	50,270	53,092	0	0	0	0	0	0	0	0	52,151
30 to 34	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	1	1	0	2	0	0	0	0	0	4
Avg. Pay*	0	50,666	71,213	0	129,458	0	0	0	0	0	95,199
45 to 49	0	0	1	0	0	0	0	0	0	0	1
Avg. Pay*	0	0	50,447	0	0	0	0	0	0	0	50,447
50 to 54	0	1	0	0	0	0	0	0	0	0	1
Avg. Pay*	0	56,480	0	0	0	0	0	0	0	0	56,480
55 to 59	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0
65 & Up	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay*	0	0	0	0	0	0	0	0	0	0	0
Total	1	4	2	0	2	0	0	0	0	0	9
Avg. Pay*	50,270	53,332	60,830	0	129,458	0	0	0	0	0	71,575

**The average pay shown is the average of the annual rate of pay as of October 1, 2023 excluding any overtime pay or other special compensation.*



Average benefit being paid to non-disabled retirees is $4,033.30 per month.

Solvency Test

Valuation Date	Aggregate Accrued Liabilities for: Active Member Contributions (1)	Retirants and Beneficiaries (2)	Active Member (Employer Financed Portion) (3)	Reported Assets Actuarial Value	Portion of Accrued Liabilities Covered by Reported Assets (1)	(2)	(3)
September 30, 2014	$127,242	$4,420,898	$304,551	$3,062,215	100%	66%	0%
September 30, 2015	$149,193	$3,822,502	$363,310	$3,269,345	100%	82%	0%
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%

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	2023
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.	4,529
Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, a loss.	(376)
Death-In-Service Retirements If survivor claims are less than assumed, there is a gain. If more claims, a loss.	(1,944)
Withdrawal From Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(13,863)
Pay Increases and Data Adjustments If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(36,122)
Contribution Income If more contributions are received than expected, there is a gain. If less, a loss.	(17,302)
Investment Income If there is greater investment income than assumed, there is a gain. If less income, a loss.	(144,530)
Death After Retirement If retirants live longer than assumed, there is a loss. If not as long, a gain.	(5,989)
New Members	(15,856)
Other Miscellaneous gains and losses resulting from timing of financial transactions, valuation methods, increase in maximum benefit limits, etc.	(76,581)
Gain (or Loss) During Year From Financial Experience	$(308,034)
Non-Recurring Items Adjustments for plan amendments, assumption changes, etc.	$(133,911)
Composite Gain (or Loss) During Year	$(441,945)

RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In September 2017, Actuarial Standard of Practice Number 51, Assessment and Disclosure of Risk in Measuring Pension Obligations, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, was first applicable for the October 1, 2019 actuarial valuation for the Plan.

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, 2023 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately $8.1 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 Below Median Employee Female Table
  Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year
  Projection Scale: MP-2018 (fully generational)

- **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 (fully generational)

- **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 (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.

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.03%	30	0.04%	40	0.07%	50	0.17%
25	0.03%	35	0.05%	45	0.10%	55	0.25%

- **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

7.15% 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.

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.

7.75% interest rate in the calculation of the present value of accrued benefits in accordance with Florida Statues 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.

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%.

1. **Plan Effective Date**

   The original plan effective date is July1, 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 2024 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.

2024 City Contribution Requirement for Staff Excess Benefit Plan

We have determined that for calendar year 2024 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, 2023 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 2024 under IRC Section 415(b)(1)(A). The maximum amount increased from $265,000 to $275,000 from 2023 to 2024.
- 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 2024 with respect to the one retired member amounts to $22,293.67.

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 2024 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 2024.

1. Sufficient funds to provide for excess benefit payments from January through September 2024. 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 October 2024.
2. The amount to cover excess benefits payable from October through December 2024. The City's funding requirement for this period amounts to $22,293.67 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 2024 excess benefits we have calculated based on the DROP information you have provided.