Town of Indian River Shores General Employees' Defined Benefit Plan

Actuarial Valuation As of October 1, 2024

Determines the Contribution For the 2024/25 Fiscal Year



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February 4, 2025

Introduction

This report presents the October 1, 2024 actuarial valuation of the Town of Indian River Shores General Employees' Defined Benefit Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2024 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2024/25 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an <u>estimate</u> of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2024/25 plan year. The minimum required contribution rate is 0.00% of covered payroll, which represents a decrease of 40.34% of payroll from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 20.01% of payroll due to investment gains and decreased by another 20.33% of payroll due to demographic experience (this is a balancing item). The market value of assets earned 20.96% during the 2023/24 plan year, whereas a 5.90% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect expenses and interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2024/25 minimum required contribution will be equal to 0.00% multiplied by the total pensionable earnings for the 2024/25 plan year for the active employees who are covered by the plan

Employee Contribution Rate

Because the employer contribution rate has dropped to zero, the base 5.00% employee contribution rate is adjusted to reflect 31.25% of the employer contribution rate below 14.50%, which gives an employee contribution rate of 0.46875% for the 2024/25 fiscal year.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an <u>estimate</u> of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.



Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liablities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.

Contents of the Report

Tables I-D through I-H provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets, which is based on the market value. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2024, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles V. Carryez

Charles T. Carr Consulting Actuary Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A

Funding Source



For the 2024/25 Plan Year

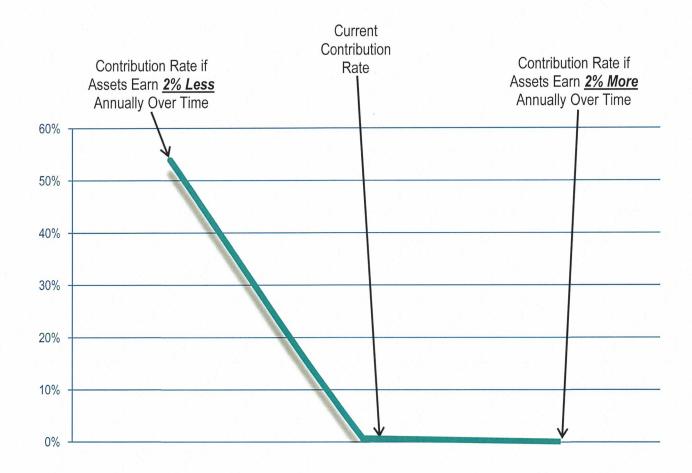
0.00%	Minimum Required Contribution Rate
÷ \$214,155	Expected Payroll for the 2024/25 Plan Year
\$0	Employer Contribution for the 2024/25 Plan Year
\$0	Adjustment to Reflect Monthly Employer Contributions
\$0	Normal Cost
x \$214,155	Expected Payroll
= 0%	Normal Cost Rate
÷ \$1,110,608	Present Value of Future Payroll
\$0	Present Value of Future Normal Costs
(\$5,206)	Present Value of Future Employee Contributions
(\$1,809,641)	Actuarial Value of Assets
\$22,393	Administrative Expense Loading
\$1,791,462	Present Value of Future Benefits

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Source of Change in the Normal Cost Rate

Previous normal cost rate	40.34%
Increase (decrease) due to investment gains and losses Increase (decrease) due to demographic experience	-20.01% -20.33% *
Increase (decrease) due to plan amendments Increase (decrease) due to actuarial assumption changes Increase (decrease) due to actuarial method changes	0.00% 0.00% 0.00%
Current normal cost rate	0.00%

^{*} balancing item



Present Value of Future Benefits

Table I-D

	Old Assumptions Old Plan	Old Assumptions New Plan	New Assumptions New Plan
Actively Employed Participants			
Retirement benefits	\$1,418,428	\$1,418,428	\$1,418,428
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$1,418,428	\$1,418,428	\$1,418,428
Deferred Vested Participants			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
Due a Refund of Contributions	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
Retired Participants			
Service retirements	\$373,034	\$373,034	\$373,034
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$373,034	\$373,034	\$373,034
Grand Total	<u>\$1,791,462</u>	<u>\$1,791,462</u>	\$1,791,462
Present Value of Future Payroll	\$1,110,608	\$1,110,608	\$1,110,608
Present Value of Future Employee Contribs.	\$5,206	\$5,206	\$5,206
Present Value of Future Employer Contribs.	-\$23,385	-\$23,385	-\$23,385



Present Value of Accrued Benefits

Table I-E

	Old Assumptions Old Plan	Old Assumptions New Plan	New Assumptions New Plan
Actively Employed Participants			
Retirement benefits	\$784,722	\$784,722	\$784,722
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$784,722	\$784,722	\$784,722
Deferred Vested Participants			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
Due a Refund of Contributions	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
Retired Participants			
Service retirements	\$373,034	\$373,034	\$373,034
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$373,034	\$373,034	\$373,034
Grand Total	<u>\$1,157,756</u>	<u>\$1,157,756</u>	<u>\$1,157,756</u>
<u>Funded Percentage</u>	156.31%	156.31%	156.31%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



Present Value of Vested Benefits

Table I-F

	Old Assumptions Old Plan	Old Assumptions New Plan	New Assumptions New Plan
Actively Employed Participants			
Retirement benefits	\$784,722	\$784,722	\$784,722
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$784,722	\$784,722	\$784,722
Deferred Vested Participants			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
Due a Refund of Contributions	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
Retired Participants			
Service retirements	\$373,034	\$373,034	\$373,034
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$373,034	\$373,034	\$373,034
Grand Total	<u>\$1,157,756</u>	<u>\$1,157,756</u>	<u>\$1,157,756</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions Old Plan	Old Assumptions New Plan	New Assumptions New Plan
Actively Employed Participants			
Retirement benefits	\$1,078,411	\$1,078,411	\$1,078,411
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$1,078,411	\$1,078,411	\$1,078,411
Deferred Vested Participants			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
Due a Refund of Contributions	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
Retired Participants			
Service retirements	\$373,034	\$373,034	\$373,034
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$373,034	\$373,034	\$373,034
Grand Total	<u>\$1,451,445</u>	<u>\$1,451,445</u>	<u>\$1,451,445</u>
less Actuarial Value of Assets	(\$1,809,641)	(\$1,809,641)	(\$1,809,641)
Unfunded Accrued Liability	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



Entry Age Normal Cost

Table I-H

	Old Assumptions Old Plan	Old Assumptions New Plan	New Assumptions New Plan
Actively Employed Participants			
Retirement benefits	\$64,271	\$64,271	\$64,271
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$64,271	\$64,271	\$64,271
Deferred Vested Participants			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
Due a Refund of Contributions	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
Retired Participants			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
Grand Total	<u>\$64,271</u>	<u>\$64,271</u>	<u>\$64,271</u>



Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2024	\$1,809,641
Minus DROP account balances	\$0
Minus advance employer contributions	\$0

Actuarial Value of Assets as of October 1, 2024 \$1,809,641

Historical Actuaria	l Value of Assets
October 1, 2015	\$590,990
October 1, 2016	\$723,443
October 1, 2017	\$925,141
October 1, 2018	\$1,082,203
October 1, 2019	\$1,167,852
October 1, 2020	\$1,251,548
October 1, 2021	\$1,530,370
October 1, 2022	\$1,298,082
October 1, 2023	\$1,454,131
October 1, 2024	\$1,809,641

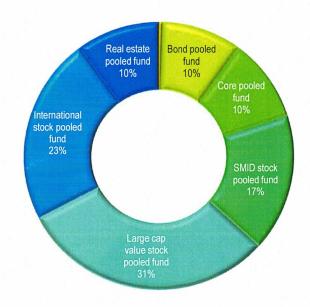


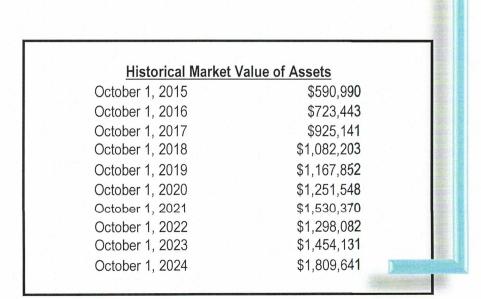
Market Value of Assets

Table II-B

As of October 1, 2024

Market Value of Assets	<u>\$1,809,641</u>
Cash	\$7,239
Bond pooled fund	\$173,725
Core pooled fund	\$180,964
SMID stock pooled fund	\$302,210
Large cap value stock pooled fund	\$555,560
International stock pooled fund	\$408,979
Real estate pooled fund	\$180,964







Investment Return

Table II-C



	Market	Actuarial	
Plan	Value	Value	Assumed
Year	Return	Return	Return
2014/15	-0.10%	-0.10%	5.90%
2015/16	8.58%	8.58%	5.90%
2016/17	15.78%	15.78%	5.90%
2017/18	8.99%	8.99%	5.90%
2018/19	5.60%	5.60%	5.90%
2019/20	7.06%	7.06%	5.90%
2020/21	22.20%	22.20%	5.90%
2021/22	-13.80%	-13.80%	5.90%
2022/23	10.05%	10.05%	5.90%
2023/24	20.96%	20.96%	5.90%
10yr. Avg.	8.05%	8.05%	5.90%



Asset Reconciliation		Table II-D
	Market Value	Actuarial Value
As of October 1, 2023	\$1,454,131	\$1,454,131
Increases Due To:		
Employer Contributions Chapter 175/185 Contributions Employee Contributions Service Purchase Contributions Total Contributions	\$82,276 \$0 \$18,356 <u>\$0</u> \$100,632	\$82,276 \$0 \$18,356 \$0 \$100,632
Interest and Dividends Realized Gains (Losses) Unrealized Gains (Losses) Total Investment Income	\$0 \$0 \$309,615 \$309,615	\$309,615
Other Income	\$0	
Total Income	\$410,247	\$410,247
Decreases Due To:		
Monthly Benefit Payments Refund of Employee Contributions DROP Credits	(\$45,655) \$0	(\$45,655) \$0 \$0
Total Benefit Payments	(\$45,655)	(\$45,655)
Investment Expenses Administrative Expenses	\$0 (\$9,082)	(\$9,082)
Advance Employer Contribution		\$0
		in in its many
Total Expenses	(\$54,737)	(\$54,737)
As of October 1, 2024	\$1,809,641	\$1,809,641



Historical Trust Fund Detail

Table II-E

<u>Income</u>							
			Service		Realized	Unrealized	
Plan	Employer	Employee	Purchase	Interest /	Gains /	Gains /	Other
Year	Contribs.	Contribs.	Contribs.	<u>Dividends</u>	Losses	Losses	<u>Income</u>
2014/15	\$97,010	\$22,115	\$0	\$0	\$0	-\$580	\$0
2015/16	\$108,876	\$23,640	\$0	\$0	\$0	\$54,062	\$0
2016/17	\$111,558	\$23,447	\$0	\$0	\$0	\$120,559	\$0
2017/18	\$100,841	\$24,092	\$0	\$0	\$0	\$86,348	\$0
2018/19	\$72,813	\$18,326	\$0	\$0	\$0	\$61,278	\$0
2019/20	\$63,224	\$13,218	\$0	\$0	\$0	\$82,468	\$0
2020/21	\$62,921	\$13,702	\$0	\$0	\$0	\$277,941	\$0
2021/22	\$40,668	\$14,723	\$0	\$0	\$0	-\$209,692	\$0
2022/23	\$85,015	\$17,098	\$0	\$0	\$0	\$131,716	\$0
2023/24	\$82,276	\$18,356	\$0	\$0	\$0	\$309,615	\$0

Expens	es					Other Ac	ctuarial Adjustments
		Monthly					Advance
Plan		Benefit	Contrib.	Admin.	Invest.	DROP	Employer
Year		<u>Payments</u>	Refunds	Expenses	Expenses	Credits	Contribs.
2014/15		\$48,395	\$0	\$5,521	\$0	\$0	\$0
2015/16		\$48,395	\$0	\$5,730	\$0	\$0	\$0
2016/17		\$48,395	\$0	\$5,471	\$0	\$0	\$0
2017/18		\$48,395	\$0	\$5,824	\$0	\$0	\$0
2018/19		\$60,476	\$0	\$6,292	\$0	\$0	\$0
2019/20		\$69,106	\$0	\$6,108	\$0	\$0	\$0
2020/21		\$69,106	\$0	\$6,636	\$0	\$0	\$0
2021/22		\$69,106	\$0	\$8,881	\$0	\$0	\$0
2022/23		\$69,106	\$0	\$8,674	\$0	\$0	\$0
2023/24		\$45,655	\$0	\$9,082	\$0	\$0	\$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table II-F

DROP Account Reconciliation

DROP Balance as of October 1, 2023
DROP Benefit Credits
DROP Investment Credits
DROP Benefits Paid Out
Net DROP Credit
DROP Balance as of October 1, 2024
Advance Employer Contribution
Advance Employer Contribution as of October 1, 2023
Additional Employer Contribution
Minimum Required Contribution
Net Increase in Advance Employer Contribution
Advance Employer Contribution as of October 1, 2024

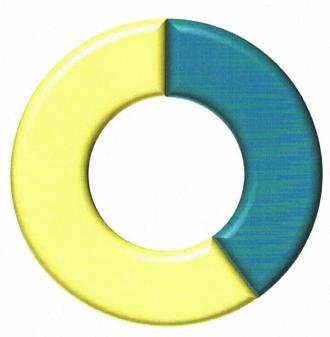


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Summary of Participant Data

Table III-A

As of October 1, 2024



Participant Distribution by Status

Actively Employed Participants **Active Participants** 2 **DROP** Participants 0 Inactive Participants **Deferred Vested Participants** 0 Due a Refund of Contributions 0 **Deferred Beneficiaries** 0 Participants Receiving a Benefit Service Retirements 3 **Disability Retirements** 0 Beneficiaries Receiving 0

Total Participants

	WE STATE OF THE ST					
Number	of Participant	s Included	in Prior Va	<u>luations</u>		
	Active	DROP	Inactive	Retired	Tot al	
October 1, 2015	3	0	0	3	6	
October 1, 2016	3	0	0	3	6	
October 1, 2017	3	0	0	3	6	
October 1, 2018	3	0	0	3	6	
October 1, 2019	2	0	0	4	6	
October 1, 2020	2	0	0	4	6	
October 1, 2021	2	0	0	4	6	
October 1, 2022	2	0	0	4	6	
October 1, 2023	2	0	0	4	6	
October 1, 2024	2	0	0	3	5	120



Data Reconciliation

Table III-B

	<u>Active</u>	DROP	Deferred <u>Vested</u>	Due a Refund	Def. <u>Benef.</u>	Service <u>Retiree</u>	Disabled <u>Retiree</u>	Benef. <u>Rec'v.</u>	<u>Total</u>
October 1, 2023	2	0	0	0	0	4	0	0	6
Change in Status Re-employed Terminated Retired									
Participation Ended Transferred Out Cashed Out Died						(1)			(1)
Participation Began Newly Hired Transferred In New Beneficiary									
Other Adjustment									
October 1, 2024	2	0	0	0	0	3	0	0	5

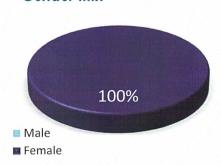


Active Participant Data

Table III-C

As of October 1, 2024

Gender Mix



Average Age	59.0 years
Average Service	18.5 years
Total Annualized Compensation for the Prior Year	\$203,957
Total Expected Compensation for the Current Year	\$214,155
Average Increase in Compensation for the Prior Year	7.26%
Expected Increase in Compensation for the Current Year	5.00%

Actual vs. Expected Salary Increases

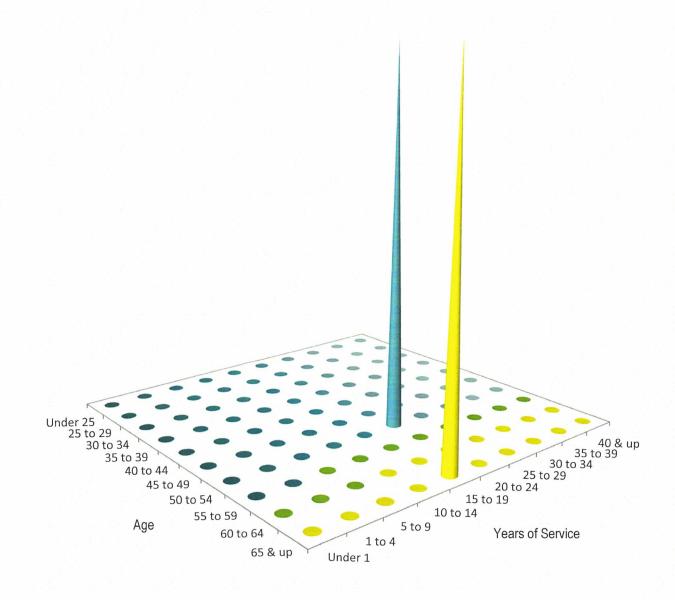


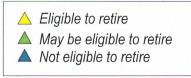
Activ	<u>/e Participant</u>	Statistics	From Prior \	<u>/aluations</u>		
				Average	Average	
				Expected	Actual	
	Average	Average	Average	Salary	Salary	
	Age	Service	Salary	Increase	Increase	
October 1, 2015	51.0	7.0	\$81,907	5.00%	2.91%	
October 1, 2016	52.0	8.0	\$87,556	5.00%	7.08%	
October 1, 2017	53.0	9.0	\$86,842	5.00%	-0.33%	
October 1, 2018	54.0	10.0	\$89,232	5.00%	3.70%	
October 1, 2019	54.0	13.5	\$65,466	5.00%	1.79%	
October 1, 2020	55.0	14.5	\$73,431	5.00%	12.27%	
October 1, 2021	56.0	15.5	\$76,122	5.00%	3.77%	
October 1, 2022	57.0	16.5	\$81,795	5.00%	7.43%	
October 1, 2023	58.0	17.5	\$94,989	5.00%	15.96%	
October 1, 2024	59.0	18.5	\$101,979	5.00%	7.26%	



Active Age-Service Distribution

Table III-D







Active Age-Service-Salary Table

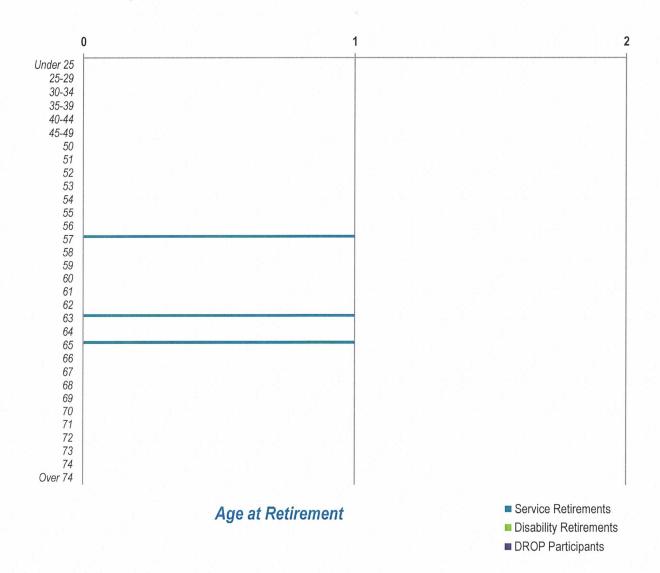
Table III-E

Attained					Complet	ed Years o	f Service				
Age	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 Avg.Pay	0 0	0 0	0	0 0	0 0	0 0	0	0 0	0 0	0 0	0 0
25 to 29 Avg.Pay	0 0	0 0	0 0	0	0 0	0 0	0 0	0 0	0	0 0	0 0
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 Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
50 to 54 Avg.Pay	0 0	0 0	0	0 0	0 0	1 92,796	0 0	0 0	0 0	0 0	1 92,796
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	1	0	0	0	0	0	1
Avg.Pay	0	0	0	0	111,161	0	0	0	0	0	111,161
Total	0	0	0	0	1	1	0	0	0	0	2 101,979
Avg.Pay	0	0	0	0	111,161	92,796	0	0	0	0	



Inactive Participant Data

Table III-F



Average Monthly Benefit

Service Retirements	\$1,137.93
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable

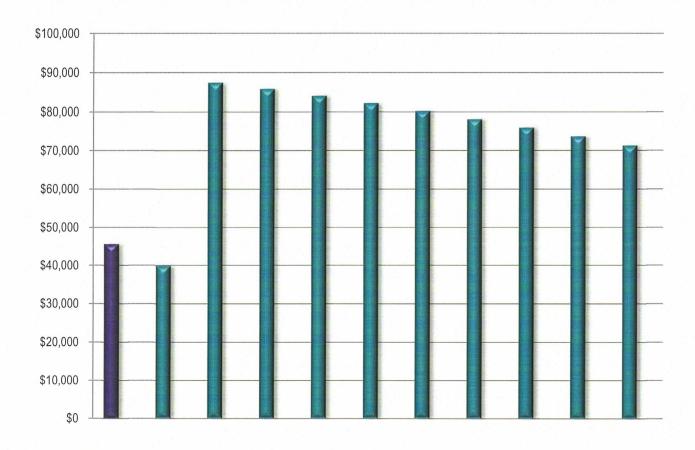
Deferred Vested Participants Not applicable

Deferred Beneficiaries Not applicable



Projected Benefit Payments

Table III-G



<u>Actual</u>	
For the period October 1, 2023 through September 30, 2024	\$45,655
	7
<u>Projected</u>	
For the period October 1, 2024 through September 30, 2025	\$39,880
For the period October 1, 2025 through September 30, 2026	\$87,481
For the period October 1, 2026 through September 30, 2027	\$85,842
For the period October 1, 2027 through September 30, 2028	\$84,088
For the period October 1, 2028 through September 30, 2029	\$82,217
For the period October 1, 2029 through September 30, 2030	\$80,228
For the period October 1, 2030 through September 30, 2031	\$78,127
For the period October 1, 2031 through September 30, 2032	\$75,922
For the period October 1, 2032 through September 30, 2033	\$73,629
For the period October 1, 2033 through September 30, 2034	\$71,263



Summary of Actuarial Methods and Assumptions

Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. Actuarial Cost Method

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. Asset Method

The actuarial value of assets is equal to the market value of assets.

3. Interest (or Discount) Rate

5.90% per annum

4. Salary Increases

Plan compensation is assumed to increase at the rate of 5.00% per annum, unless actual plan compensation is known for a prior plan year.

5. Decrements

Pre-retirement mortality: None is assumed.

Post-retirement mortality:
 Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below

Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male

ages set back one year

Disability: None is assumed.

• Termination: None is assumed.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

• Retirement:

Retirement is assumed to occur at the later of normal retirement age or one year after the valuation date.

6. Form of Payment

Future retirees have been assumed to select the single life annuity.

7. Expenses

The future benefit liability has been loaded by 1.25% to account for administrative expenses. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

8. Benefits Payable from the Town of Indian River Shores Pension Plan

For purposes of determining any applicable benefit offsets under this plan, no employer-paid benefits are assumed to be payable from the Town of Indian River Shores Pension Plan.



Changes in Actuarial Methods and Assumptions

Table IV-B

Since the completion of the previous valuation, the actuarial cost method (or funding method) has been changed from the individual entry age normal cost method to the aggregate cost method and the administrative expenses assumption has been changed from a flat \$9,000 per year to a 1.25% loading on the future benefit liability.

The following additional assumption and method changes were made during the past 10 years:

- (1) Effective October 1, 2022, the administrative expense assumption has been increased from \$6,000 per year to \$9,000 per year.
- (2) Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.
- (3) Effective October 1, 2018, the administrative expense assumption was increased from \$3,500 per year to \$6,000 per year.
- (4) Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.



Table V-A

1. Benefit Formula

2.75% of Average Monthly Earnings multiplied by Credited Service, reduced by the monthly benefit that can be provided by the participant's employer-paid defined contribution account for those individuals who are eligible to receive a benefit from the Town of Indian River Shores Pension Plan

2. Service Retirement

Normal retirement: Age 55 with at least five years of credited service (Town Manager), or

Age 62 (all other participants)

Early retirement: Age 55 with at least seven years of credited service

Note: In the case of early retirement, the participant's benefit is reduced by 2% for each year by which the participant's early retirement age precedes his normal retirement age. In the case of retirement after normal retirement age (a "late" retirement), the participant receives the greater of his monthly accrued benefit calculated at his late retirement age or his monthly accrued benefit calculated at his normal retirement age but multiplied by a late retirement adjustment factor as shown in the following table (the factor is pro-rated for non-integer years):

Number of Years Between The Normal Retirement Date And the Late Retirement Date	Late Retirement Adjustment Factor
One	1.06
Two	1.12
Three	1.19
Four	1.26
Five	1.34
Six	1.42
Seven	1.50
Eight	1.59
Nine	1.69
10	1.79



Table V-A

(continued)

3. <u>Disability Retirement</u>

Service-based disability: Participant must be disabled during the course of his employment with the Town.

Non-service disability: Participant must have earned at least 10 years of credited service.

The disability benefit is a monthly 10-year certain and life annuity equal to the larger of the monthly accrued benefit or either 42% of average monthly earnings (for service-based disability) or 25% of average monthly earnings (for non-service disability), but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other Town-provided disability compensation from exceeding his average monthly earnings.

(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment.)

4. Deferred Vested Retirement

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit payable at the participant's early or normal retirement age. If the benefit is payable prior to normal retirement age, then the benefit is reduced by 2% for each year by which the participant's early retirement age precedes his normal retirement age.

A non-vested participant who terminates employment receives his accumulated contributions.

5. Vesting

A participant becomes 100% vested upon the attainment of seven years of credited service. Alternatively, a participant becomes partially vested upon the attainment of three years of credited service in accordance with the following table:

Years of Credited Service	Vested Percentage
Less than three	0%
At least three, but less than four	20%
At least four, but less than five	40%
At least five, but less than six	60%
At least six, but less than seven	80%
At least seven	100%



Table V-A

(continued)

6. Pre-Retirement Death Benefit

If a vested, married participant dies prior to retirement, the participant's surviving spouse may choose to receive either one-half of the participant's 50% joint and contingent annuity or a 10-year certain and life annuity equal to the participant's monthly accrued benefit, payable in either case beginning at the participant's early or normal retirement age.

If a vested, unmarried participant dies prior to retirement, the participant's beneficiary receives a 10-year certain and life annuity equal to the participant's monthly accrued benefit, payable beginning at the participant's early or normal retirement age.

If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

7. Form of Payment

Single life annuity (normal form of payment);

Actuarially reduced 10-year certain and life annuity (optional);

Actuarially reduced 50% joint and contingent annuity (optional);

Actuarially reduced 662/3% joint and contingent annuity (optional);

Actuarially reduced 75% joint and contingent annuity (optional);

Actuarially reduced 100% joint and contingent annuity (optional); or

Actuarially equivalent single lump sum distribution (automatic and only available if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100)

(Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment.)



Table V-A

(continued)

8. Average Monthly Earnings

Average monthly earnings during the last five years of compensation immediately preceding the determination or career average earnings if higher. Earnings include total cash remuneration for services rendered, but exclude overtime pay. Earnings cannot exceed the maximum amount allowed under Internal Revenue Code (IRC) section 401(a)(17).

9. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. For purposes of calculating the amount of a participant's benefit, credited service excludes periods during which the participant does not make the required employee contribution.

10. Employee Contribution

Employees must contribute a variable contribution rate that is based in part on the funding cost of the plan. The basic employee contribution rate is 5.00% of earnings. The basic employee contribution rate is adjusted to reflect 31.25% of the total minimum required contribution below 14.50% of payroll or above 16.00% of payroll. The employee contribution rate is capped at 9.00% of earnings. Employee contributions are accumulated with interest at the rate of 5.00% per annum and interest is credited from the end of the plan year during which the contribution is made until the first day of the month before the determination.

11. Town Contribution

The Town is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.

12. Participant Requirement

All full-time general employees of the Town of Indian River Shores who were hired prior to May 1, 2013 may optionally become a participant in the plan as of the April 1 or October 1 following a 12-month period during which the employee earns at least 1,000 hours of service; in addition, the Town Manager may participate in the plan.



Table V-A

(continued)

13. Actuarial Equivalence

Based on 5.90% interest per annum and the unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of determining lump sum distributions pursuant to Internal Revenue Code (IRC) section 417(e)(3)

14. Plan Effective Date

The plan was originally effective on May 1, 1999.



Summary of Plan Amendments

Table V-B

No significant plan changes were adopted since the completion of the previous valuation.

