

February 3, 2017

Pompano Beach Police & Firefighters' Retirement System
Board of Trustees
c/o Debra Tocarchick, Executive Director
2335 E. Atlantic Blvd., Suite 400
Pompano Beach, FL 33062

Actuarial Impact Statement - Police Share Plan

Dear Debra:

Section 112.63(3) of the Florida Statutes specifies that an actuarial impact statement is to be issued before a change to retirement benefits is adopted and that a copy of such statement is to be forwarded to the Division of Retirement.

Our understanding is that the ordinance would establish a defined contribution plan component (share plan) to provide special benefits to eligible police officer members, such benefits to be funded solely and entirely by Chapter 185 premium tax revenues as follows:

- Of the reserve balance as of October 1, 2015 (\$107,581), one-half shall be used to fund the supplemental share plan.
- Of premium tax revenues received pursuant to Chapter 185 on or after October 1, 2015, one-half of annual premium tax revenues received in excess of \$876,088 shall be used to fund the supplemental share plan.

The premium tax revenues allocated to fund the share plan shall be credited to eligible member share accounts and distributed to eligible members in a manner approved by a majority of eligible police officer members and the Florida Division of Retirement.

Since the Police Share Plan is providing extra benefits outside of the System and is being funded with monies that would otherwise have been reserved for extra benefits, this change will not result in any measurable or foreseeable actuarial impact on the City of Pompano Beach Police and Firefighters' Retirement System. In our opinion these changes are in compliance with Section 14, Article X of the State Constitution and with Section 112.64 Florida Statutes.

Please let us know if you have any questions or comments.

Sincerely,



David D. Harris, ASA, FCA, MAAA, EA

cc: Pedro Herrera

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