PENSION FUNDING POLICY

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS) PLANS
NEW PSPRS PENSION LAW (2018)

Annual Requirements

1. Adopt a PSPRS pension funding policy with funding objectives that address:
   • How to maintain stability of contributions
   • How and when funding requirements will be met
   • Defining a funded ratio target and the timeline for reaching the target

2. Formally accept City plan assets and liabilities as determined in plan actuarial reports

3. Post the policy on the City’s website
POLICY FUNDING OBJECTIVES

1. Maintain stability of contributions
   • Pension stabilization reserve
   • Changes to reserve determined as part of annual budget process

2. Meet Funding Requirements
   • Multi-year forecast that assumes contribution rate increases
   • Budgeting at least the annual required contribution (ARC)

3. Define Funded Ratio Target and Timeline
   • Target = 100% funded
   • Timeline to Target = June 30, 2042
## Plan Assets and Liabilities

<table>
<thead>
<tr>
<th>Plan</th>
<th>Assets (millions)</th>
<th>Liability (millions)</th>
<th>Unfunded Liability (millions)</th>
<th>Funded Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire and Medical</td>
<td>$204</td>
<td>$404</td>
<td>$200</td>
<td>51%</td>
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<tr>
<td>Police</td>
<td>$353</td>
<td>$752</td>
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<tr>
<td>Total</td>
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<td>$1,156</td>
<td>$599</td>
<td></td>
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