

September 3, 2025

Board of Trustees
c/o Mr. Greg Abend
Foster & Foster, Inc.
2503 Del Prado Blvd S. Suite 502
Cape Coral, FL 33904

**Subject: City of Lauderhill Confidential & Managerial Employees' Retirement Plan
Actuarial Impact Statement for Ordinance No. 25O-08-125**

Dear Greg:

We are pleased to enclose an Actuarial Impact Statement in support of Ordinance No. 25O-08-125 of the City Lauderhill Confidential & Managerial Employees' Retirement Plan. The Actuarial Impact statement is for the following changes:

SECTION 1: Section 2-88.7 is amended to read as follows:

- (f) Members may purchase up to five (5) years of credited service at an accrual rate of a three (3) percent multiplier by tendering the employee and employer contributions as determined by the actuary for the plan. The city shall pay the balance of any cost of the service being purchased in the preceding sentence as determined by the actuary. A member must make an election to purchase this credited service by April 1, 2006. No member(s) shall be entitled to elect to or purchase credited service after April 1, 2006. Confidential/managerial employees that are members of the 401(a) or 457 plan may purchase credited service back to October 1, 1994, at an accrual rate of a two and five-tenths (2.5) percent multiplier. Employees in a 401(a) account may transfer their entire account balances and receive credit for years of service to October 1, 1994, or date of hire, whichever is later. Employees in a city contributed four hundred fifty-seven (457) account may transfer assets equal to the city's contributions, plus gains and losses to be determined by the actuary, and receive credit for the years of service to October 1, 1994, or date of hire, whichever is later; provided that an amount equal to the employee contribution portion of the cost must be made from an alternate source. Notwithstanding any provision to the contrary, confidential/managerial employees shall be provided a one-time option, which option expires on April 1, 2006, to purchase credited service back to their date of hire, at an accrual rate of a two and five-tenths (2.5) percent multiplier, provided that the member tenders the refunded employee contributions plus cumulative interest at an agreed-upon rate. For the limited purpose of the buyback provision set forth in the immediately preceding sentence, members electing the one-time buyback option shall be permitted to cash in up to forty-five (45) days of vacation and sick time at their full value to pay for the buyback. The member must maintain a balance of two hundred twenty-five (225) hours of sick time while employed. No balance is required to be maintained for vacation time. The cost for the service buyback under this

subsection may be made in one (1) lump sum or may be made in installments. An employee making installment payments shall complete all required payments prior to payment of any benefit under this section. If installment payments are not completed at the time an employee retires, the employee shall not receive prior service credit for the remaining period for which payments were not made. Upon separation from employment with the city, a member may either use all or a portion of the two hundred twenty-five (225) hours of sick time to complete a buyback under this section, and/or rollover all or a portion of the sick time to a qualified retirement plan. Should an employee die prior to completing any installment payments, employee's designated beneficiary or joint annuitant shall be given the opportunity to complete the buyback and receive the outstanding credited service by making one (1) lump-sum payment of the entire balance due within ninety (90) days of the date of the employee's death. Notwithstanding anything to the contrary, effective March 1, 2009, members may purchase up to five (5) years of credited service at an accrual rate of a three (3) percent multiplier by tendering the full actuarial cost of the credited service. Effective August 1, 2017, members must have completed ten (10) years of credited service prior to any purchase of service credit under this section. Any and all service purchased under this section shall not count towards vesting under the plan, nor shall it be counted towards normal or early retirement eligibility. The purchase may be made by lump-sum payment or in installment payments with interest at the current assumed funding rate determined by the board. The lump-sum payment must be made within sixty (60) days from receipt of the actuarial calculation determining the cost of the service to be purchased. If making installment payments, the period of the installment payments must be affirmatively selected by the member. A member making installment payments shall complete all required payments prior to payment of any benefit under this section. If installment payments are not completed at the time a member retires, the member shall not receive prior service credit for the remaining period for which payments were not made. Notwithstanding any provision to the contrary, effective September 8, 2025, any and all service purchased under this section will be treated as service credit for purposes of retirement eligibility, but not for vesting. Employees who commenced a service purchase on or before September 8, 2025, and who are still actively employed by the City, shall have their purchased service treated as service credit for purposes of retirement eligibility, but not for vesting.

There is no actuarial impact due to this proposed change.

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Mr. Greg Abend
September 3, 2025
Page 3

We have prepared the Actuarial Impact Statement for filing with the State of Florida. Please note that this Statement must be signed and dated on behalf of the Board of Trustees. A copy of the ordinance upon passage at the first reading along with this Actuarial Impact Statement should be submitted to the State at the following address:

Mr. Douglas Beckendorf, A.S.A.
Bureau of Local Retirement Systems
Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Please forward a copy of the ordinance upon passage at second reading to update our files.

We have prepared this Impact Statement based upon the October 1, 2024 census and financial data that was utilized for the October 1, 2024 Actuarial Valuation. The methods and assumptions used in the calculations are the same as those that were utilized for the October 1, 2024 Actuarial Valuation.

If you should have any question concerning the above, please do not hesitate to contact us.

Sincerely,



Donald A. DuLaney Jr., A.S.A., E.A.
Senior Consulting Actuary

DAD:cp
Enclosures
cc: Douglas Downs, with enclosure

City of Lauderhill Confidential & Managerial Employees' Retirement Plan

Actuarial Impact Statement for Ordinance No. 25O-08-125

A. Description of Plan Amendment

SECTION 1: Section 2-88.7 is amended to read as follows:

- (f) Members may purchase up to five (5) years of credited service at an accrual rate of a three (3) percent multiplier by tendering the employee and employer contributions as determined by the actuary for the plan. The city shall pay the balance of any cost of the service being purchased in the preceding sentence as determined by the actuary. A member must make an election to purchase this credited service by April 1, 2006. No member(s) shall be entitled to elect to or purchase credited service after April 1, 2006. Confidential/managerial employees that are members of the 401(a) or 457 plan may purchase credited service back to October 1, 1994, at an accrual rate of a two and five-tenths (2.5) percent multiplier. Employees in a 401(a) account may transfer their entire account balances and receive credit for years of service to October 1, 1994, or date of hire, whichever is later. Employees in a city contributed four hundred fifty-seven (457) account may transfer assets equal to the city's contributions, plus gains and losses to be determined by the actuary, and receive credit for the years of service to October 1, 1994, or date of hire, whichever is later; provided that an amount equal to the employee contribution portion of the cost must be made from an alternate source. Notwithstanding any provision to the contrary, confidential/managerial employees shall be provided a one-time option, which option expires on April 1, 2006, to purchase credited service back to their date of hire, at an accrual rate of a two and five-tenths (2.5) percent multiplier, provided that the member tenders the refunded employee contributions plus cumulative interest at an agreed-upon rate. For the limited purpose of the buyback provision set forth in the immediately preceding sentence, members electing the one-time buyback option shall be permitted to cash in up to forty-five (45) days of vacation and sick time at their full value to pay for the buyback. The member must maintain a balance of two hundred twenty-five (225) hours of sick time while employed. No balance is required to be maintained for vacation time. The cost for the service buyback under this subsection may be made in one (1) lump sum or may be made in installments. An employee making installment payments shall complete all required payments prior to payment of any benefit under this section. If installment payments are not completed at the time an employee retires, the employee shall not receive prior service credit for the remaining period for which payments were not made. Upon separation from employment with the city, a member may either use all or a portion of the two hundred twenty-five (225) hours of sick time to complete a buyback under this section, and/or rollover all or a portion of the sick time to a qualified retirement plan. Should an employee die prior to completing any installment payments, employee's designated beneficiary or joint annuitant shall be given the opportunity to complete the buyback and receive the outstanding credited service by making one (1) lump-sum payment of the entire balance due within ninety (90) days of the date of the employee's death. Notwithstanding anything to the contrary, effective March 1, 2009, members may purchase up to five (5) years of credited service at an accrual rate of a three (3) percent multiplier by tendering the full actuarial cost of

the credited service. Effective August 1, 2017, members must have completed ten (10) years of credited service prior to any purchase of service credit under this section. Any and all service purchased under this section shall not count towards vesting under the plan, nor shall it be counted towards normal or early retirement eligibility. The purchase may be made by lump-sum payment or in installment payments with interest at the current assumed funding rate determined by the board. The lump-sum payment must be made within sixty (60) days from receipt of the actuarial calculation determining the cost of the service to be purchased. If making installment payments, the period of the installment payments must be affirmatively selected by the member. A member making installment payments shall complete all required payments prior to payment of any benefit under this section. If installment payments are not completed at the time a member retires, the member shall not receive prior service credit for the remaining period for which payments were not made. Notwithstanding any provision to the contrary, effective September 8, 2025, any and all service purchased under this section will be treated as service credit for purposes of retirement eligibility, but not for vesting. Employees who commenced a service purchase on or before September 8, 2025, and who are still actively employed by the City, shall have their purchased service treated as service credit for purposes of retirement eligibility, but not for vesting.

- B. An estimate of the cost of implementing this amendment – **There is no actuarial impact due to this proposed change.**
- C. In my opinion, the changes are in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the State Constitution.

Chairman, Board of Trustees

Date

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