City of Jacksonville General Employees Retirement Plan

Actuarial Valuation and Review as of October 1, 2012

SEGAL

SEGAL

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April 23, 2013

Board of Trustees
City of Jacksonville General Employees Retirement Plan
117 West Dual Street, Suite 330
Jacksonville, FL 32202

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of October 1, 2012. The census information on which our calculations were based was prepared by the Retirement System Administrative Office and the financial information was provided by the the City's Finance Department. That assistance is gratefully acknowledged .

Statement by Enrolled Actuary: This actuarial valuation and/or cost determination 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.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements 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); and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Jeffrey S. Williams, FCA, ASA, MAAA, Enrolled Actuary. Mr. Williams is a member of the American Academy of Actuaries and he meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By:

Leon F. (Rocky) Joyner, Jr. FCA, ASA, EA, MAAA
Vice President and Consulting Actuary

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SECTION 1

VALUATION SUMMARY

SECTION 2

VALUATION RESULTS

SECTION 3

SUPPLEMENTAL INFORMATION

SECTION 4

REPORTING INFORMATION

Purpose

This report has been prepared by The Segal Company to present a valuation of the City of Jacksonville General Employees Retirement Plan as of October 1, 2012. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Pension Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of October 1, 2012, provided by the Retirement System Administrator Office;
- The assets of the Plan as of September 30, 2012, provided by the the City's Finance Department;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

1. This valuation reflects the assumption changes recommended in the City of Jacksonville General Employees Retirement Plan Actuarial Experience Study for the period from October 1, 2007 to September 30, 2012 and adopted by the Board of Trustees on April 3, 2013.
2. The recommended contribution was 20.51% of projected pay, or $66,659,915, as of October 1, 2012. Prior to the adopted assumption changes, the October 1, 2013 recommended contribution was $73,869,802, or 24.95% of projected pay. With the adoption of the assumption changes, the recommended contribution increased to $81,351,295, or 27.91% of projected pay. A reconciliation of the recommended contribution from October 1, 2012 to October 1, 2013 is shown in Section 2, Chart 14.
3. The investment rate of return on an actuarial basis for the year ended September 30, 2012 was 1.07%. Since the rate of return was less than the assumed rate of return of 8.25% for the year ending September 30, 2012, there was an actuarial investment loss amounting to $110,707,175. The return on a market value basis was 18.92%. As of the valuation date, the smoothed actuarial value of assets is equal to 97.4% of market value. Effective with the October 1, 2012 actuarial valuation, the entire market value loss for fiscal 2008 has been recognized.

4. The actuarial valuation report as of October 1, 2012 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Unfavorable asset experience will increase the actuarial cost of the Plan, while favorable experience will decrease the actuarial cost of the Plan. For example, a 10% change in the current year's actuarial value of assets would produce a $9,681,592 change in the recommended contribution level. Because the actuarial value of assets involves a smoothing method, a 10% change in market value would not be fully reflected immediately in the actuarial value of assets. Rather, that effect would be spread over a period of years. We have shown the full impact immediately so as to indicate the sensitivity of costs to market fluctuations.

5. The GASB Schedule of Funding Progress, provided in Exhibit III of Section 4, shows that the funded ratio has decreased from 71.35% as of October 1, 2011 to 62.38% as of October 1, 2012.

6. The assumption changes recommended as part of the City of Jacksonville General Employees Retirement Plan Actuarial Experience Study for the period from October 1, 2007 to September 30, 2012 and adopted by the Board of Trustees are as follows:

   - Pre-retirement mortality was changed from the RP-2000 Combined Healthy Mortality Table to the RP-2000 Employee Mortality Table, set forward one year and projected to 2013 with Scale BB.
   - Healthy annuitant mortality was changed from the RP-2000 Combined Healthy Mortality Table to the RP-2000 Annuitant Mortality Table, set forward one year and projected to 2013 with Scale BB.
   - The tables of male and female disability rates were reduced to 70% of their prior values.
   - The withdrawal rates for COJ participants were changed from a table provided by the prior actuary of rates based on sex, age and service to a new table based on sex and service with an adjustment for ages under 30.
   - A refund of contributions assumption was added. It is assumed that 95% of participants that are vested and terminate take a refund of their employee contributions in lieu of their accrued benefit deferred to age 65.
   - The withdrawal rates for JEA participants were changed from a table provided by the prior actuary of rates based on sex, age and service to a new table based on sex and service.
   - The retirement rates for COJ participants were changed from an age and service based table provided by the prior actuary to a new table based on age with adjustments at certain service levels.
   - The retirement rates for JEA participants were changed from an age and service based table provided by the prior actuary to a new table based on service with adjustments at certain ages.

- The percent married assumption for female active participants was changed from 65% to 50%.
- A BACKDROP assumption was added. It is assumed that 90% of participants eligible to take the BACKDROP option elect to take the maximum BACKDROP period and the interest over the BACKDROP period is assumed to be 4%.
- The net investment return assumption was reduced from 8.25% to 7.75%.
- The salary scale was reduced by 1.5% for the first five years of service and by 1.0% for later years of service. Furthermore, for purposes other than determining normal cost, the salary scale was reduced by 3% for three years, beginning October 1, 2012 for COJ participants.
- The inflation assumption was reduced from 3.50% to 3.00%.
- The payroll growth rate assumption was reduced from 3.50% to 3.00%.

7. There were no plan changes since the prior valuation.
8. The financial information received states all results rounded to the nearest thousand. The results in this valuation are shown to the dollar. Therefore, occasionally rounded numbers are combined with unrounded ones.

Summary of Key Valuation Results

	2013	2012	2011
Contributions for fiscal year beginning October 1:			
Recommended	$81,351,295	$66,659,915	$57,497,706
As a percentage of projected payroll	27.91%	20.51%	17.22%
Actual	- -	- -	$49,899,000
Funding elements for plan year beginning October 1:			
Normal cost, including administrative expenses		$39,117,906	$45,051,023
Market value of assets		1,558,645,000	1,384,227,000
Actuarial value of assets		1,518,577,926	1,582,041,673
Actuarial accrued liability		2,434,274,957	2,217,380,856
Unfunded actuarial accrued liability		915,697,031	635,339,183
GASB 25/27 for fiscal year beginning October 1:			
Annual required contributions (ARC)	$81,351,295	$66,659,915	$57,497,706
Actual contributions	- -	- -	49,899,000
Percentage of ARC contributed	- -	- -	86.78%
Funded ratio		62.38%	71.35%
Covered payroll		$283,020,575	$314,054,361
Demographic data for plan year beginning October 1:			
Number of retired participants and beneficiaries		4,783	4,603
Number of vested former participants		81	90
Number of active participants		5,485	6,109
Covered payroll		$283,020,575	$314,054,361
Average payroll		51,599	51,408
Projected payroll for next fiscal year		291,511,192	325,046,264

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, vested terminated participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the participant population has changed over the past nine valuations can be seen in this chart.

CHART 1

Participant Population: 2004 – 2012

Year Ended September 30	Active Participants	Vested Terminated Participants*	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
2004	4,963	48	4,189	0.85
2005	5,078	55	4,283	0.85
2006	5,096	79	4,381	0.88
2007	5,104	72	4,397	0.88
2008	5,151	78	4,456	0.88
2009	5,113	82	4,465	0.89
2010	6,280	97	4,504	0.73
2011	6,109	90	4,603	0.77
2012	5,485	81	4,783	0.89

**Excludes terminated participants due a refund of employee contributions*

Active Participants
Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 5,485 active participants with an average age of 47.7, average years of service of 11.2 years and average payroll of $51,599. The 6,109 active participants in the prior valuation had an average age of 47.4, average service of 10.8 years and average payroll of $51,408.

Inactive Participants
In this year's valuation, there were 81 participants with a vested right to a deferred or immediate vested benefit.

These graphs show a distribution of active participants by age and by years of service.

CHART 2

Distribution of Active Participants by Age as of September 30, 2012

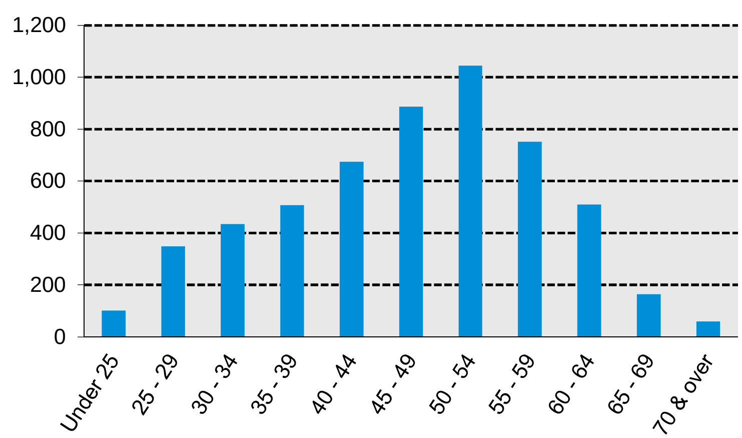
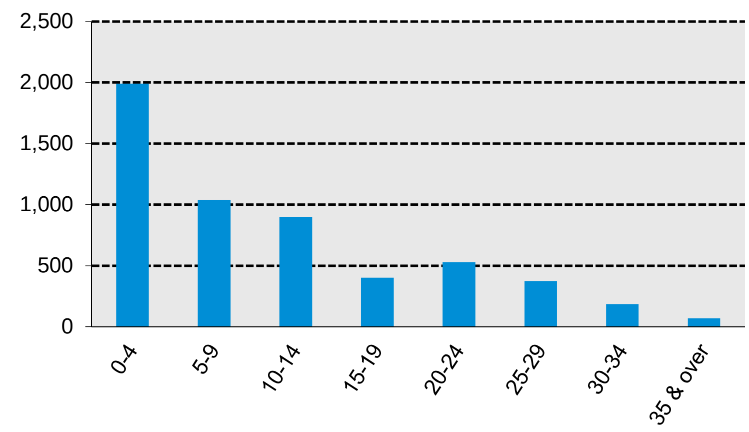


CHART 3

Distribution of Active Participants by Years of Service as of September 30, 2012



Retired Participants and Beneficiaries

As of September 30, 2012, 3,619 retired participants and 1,164 beneficiaries were receiving total monthly benefits of $11,678,372. For comparison, in the previous valuation, there were 3,441 retired participants and 1,162 beneficiaries receiving monthly benefits of $10,748,993.

These graphs show a distribution of the current retired participants based on their monthly amount and age, by type of pension.

CHART 4

Distribution of Retired Participants by Type and by Monthly Amount as of September 30, 2012

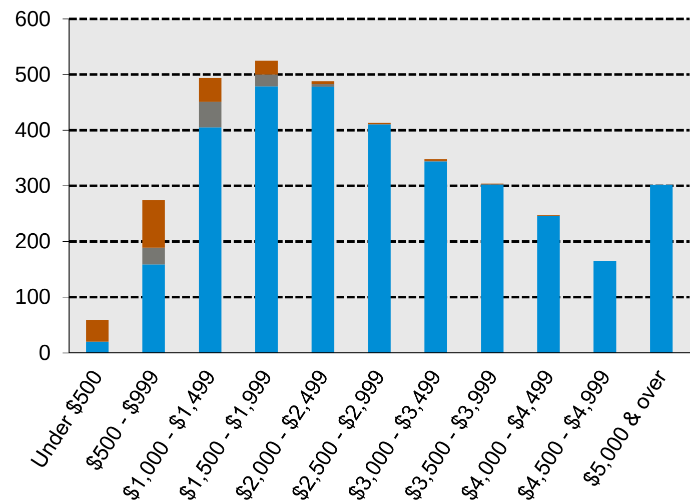
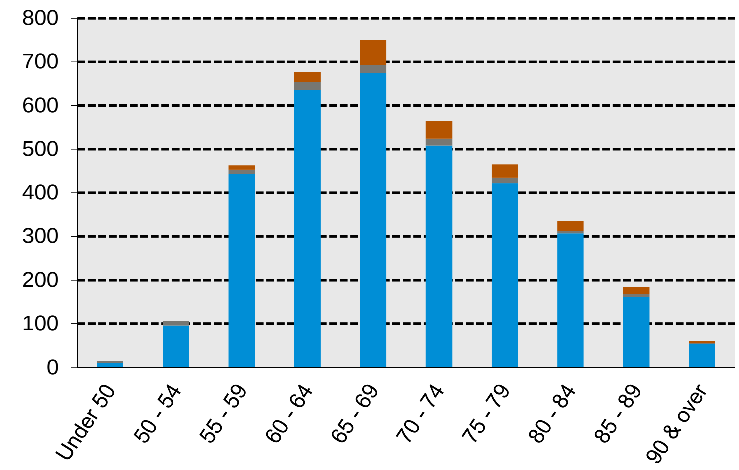


CHART 5

Distribution of Retired Participants and Beneficiaries by Type and by Age as of September 30, 2012



■ Vested

■ Disability

■ Normal

B. FINANCIAL INFORMATION

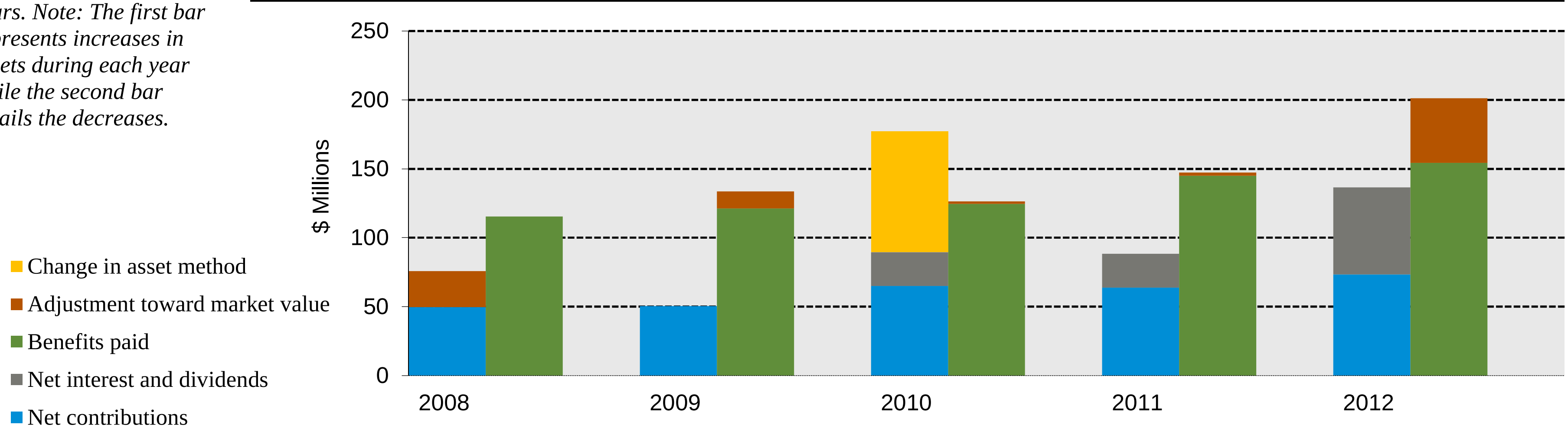
Retirement plan funding anticipates that, over the long term, both net contributions (less administrative expenses) and net investment earnings (less investment fees) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D, E and F.

The chart depicts the components of changes in the actuarial value of assets over the last five years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended September 30, 2008 – 2012



It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 7

Determination of Actuarial Value of Assets for Year Ended September 30, 2012

	Original Amount*	Unrecognized Return**	
1. Market value of assets, September 30, 2012			$1,558,645,000
2. Calculation of unrecognized return			
(a) Year ended September 30, 2012	$143,494,282	$114,795,426	
(b) Year ended September 30, 2011	-107,465,461	-64,479,277	
(c) Year ended September 30, 2010	35,673,088	14,269,235	
(d) Year ended September 30, 2009	-122,591,553	-24,518,310	
(e) Year ended September 30, 2008	-421,047,679	0	
(f) Total unrecognized return			40,067,074
3. Preliminary actuarial value: (1) - (2f)			1,518,577,926
4. Adjustment to be within 20% corridor			0
5. Final actuarial value of assets as of September 30, 2012: (3) + (4)			$1,518,577,926
6. Actuarial value as a percentage of market value: (5) ÷ (1)			97.4%
7. Amount deferred for future recognition: (1) - (5)			$40,067,074***

**Total return minus expected return on a market value basis*

***Recognition at 20% per year over five years*

****Deferred return as of September 30, 2012 recognized in each of the next four years:*

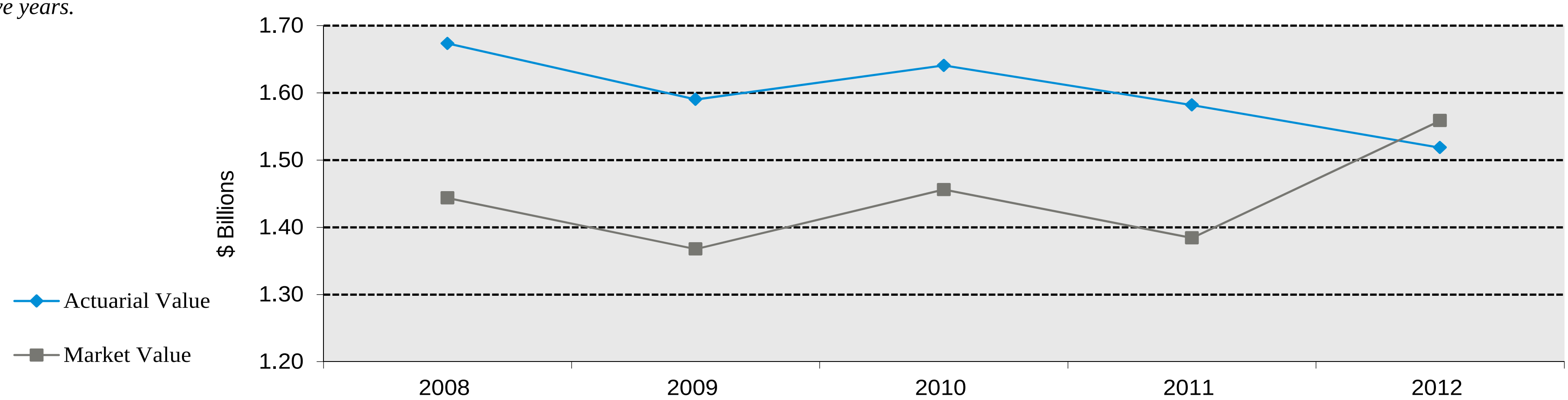
(a) Amount recognized on September 30, 2013	*-$10,177,928*
(b) Amount recognized on September 30, 2014	*14,340,382*
(c) Amount recognized on September 30, 2015	*7,205,764*
(d) Amount recognized on September 30, 2016	*28,698,856*

Both the actuarial value and market value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in the actuarial value of assets versus the market value over the past five years.

CHART 7

Actuarial Value of Assets vs. Market Value of Assets as of September 30, 2008 – 2012



C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is $100,433,818, $110,707,175 from investment losses and $10,273,357 in gains from all other sources. The net experience variation from individual sources other than investments was 0.5% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 8

Actuarial Experience for Year Ended September 30, 2012

1.	Net loss from investments*	-$110,707,175
2.	Net gain from administrative expenses	27,556
3.	Net gain from other experience	10,245,801
4.	Net experience loss: (1) + (2) + (3)	-$100,433,818

** Details in Chart 9*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets was 8.25% for the 2011-2012 plan year. The actual rate of return on an actuarial basis for the 2011-2012 plan year was 1.07%.

Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended September 30, 2012 with regard to its investments.

This chart shows the loss due to investment experience.

CHART 9

Actuarial Value Investment Experience for Year Ended September 30, 2012

1.	Actual return	$16,512,253
2.	Average value of assets	1,542,053,673
3.	Actual rate of return: (1) ÷ (2)	1.07%
4.	Assumed rate of return	8.25%
5.	Expected return: (2) x (4)	$127,219,428
6.	Actuarial loss: (1) – (5)	-$110,707,175

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last eight years.

Based upon this experience and future expectations, the Board has accepted our proposal to change the assumed rate of return from 8.25% to 7.75%.

CHART 10

Investment Return – Actuarial Value vs. Market Value: 2005 - 2012

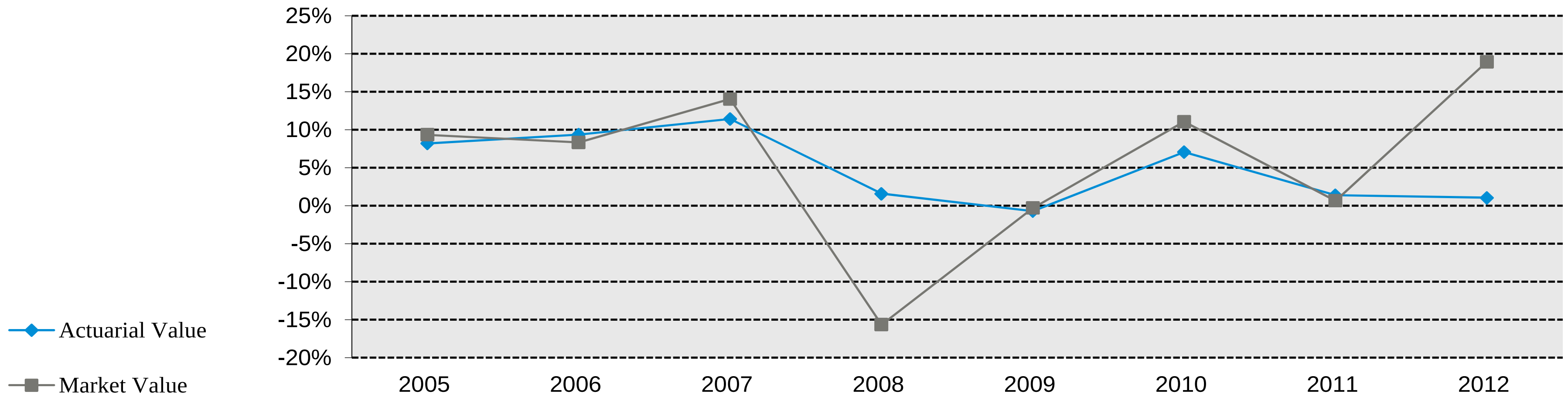
	Net Interest and Dividend Income		Recognition of Capital Appreciation		Change in Asset Method		Actuarial Value Investment Return		Market Value Investment Return	
Year Ended September 30	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
2005	- -	- -	- -	- -	- -	- -	- -	8.21%	- -	9.34%
2006	- -	- -	- -	- -	- -	- -	- -	9.38	- -	8.33
2007	- -	- -	- -	- -	- -	- -	- -	11.43	- -	14.04
2008	- -	- -	- -	- -	- -	- -	- -	1.59	- -	-15.65
2009	- -	- -	- -	- -	- -	- -	- -	-0.70	- -	-0.31
2010	$24,497,000	1.57%	-$1,829,100	-0.12%	$87,617,723	5.61%	$110,280,623	7.07	$148,054,000	11.07
2011	24,639,000	1.54	-2,325,094	-0.15	- -	- -	22,313,906	1.39	9,313,000	0.66
2012	63,315,000	4.11	-46,802,747	-3.04	- -	- -	16,512,253	1.07	254,394,000	18.92
Total	$112,451,000		-$50,956,941		$87,612,723		$149,106,782		$411,761,000	

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 2005 - 2012.

CHART 11

Market and Actuarial Rates of Return for Years Ended September 30, 2005 - 2012



Other Experience
There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended September 30, 2012 amounted to $10,245,801, which is 0.4% of the actuarial accrued liability. The primary source of the gain is salary increases less than expected.

D. RECOMMENDED CONTRIBUTION

The amount of annual contribution required to fund the Plan is comprised of an employer normal cost payment and a payment on the unfunded actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the funding rate of 27.91% of payroll.

The City and Pension Board have adopted financing periods of 30 years for experience gains and losses and for benefit, assumption and method changes. Required contribution amounts have been determined using those periods.

The contribution requirements as of October 1, 2012 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

The chart compares this valuation's recommended contribution with the prior valuation.

CHART 12

Recommended Contribution

	Year Beginning October 1			
	2012		2011	
	Amount	% of Payroll	Amount	% of Payroll
1. Total normal cost	$38,412,906	13.57%	$44,350,023	14.12%
2. Administrative expenses	705,000	0.25%	701,000	0.22%
3. Expected employee contributions	-21,792,584	-7.70%	-24,182,186	-7.70%
4. Employer normal cost: (1) + (2) + (3)	$17,325,322	6.12%	$20,868,837	6.64%
5. Actuarial accrued liability	2,434,274,957		2,217,380,856	
6. Actuarial value of assets	1,518,577,926		1,582,041,673	
7. Unfunded actuarial accrued liability: (5) - (6)	$915,697,031		$635,339,183	
8. Payment on unfunded actuarial accrued liability	58,544,315	20.69%	40,845,899	13.01%
9. Total recommended contribution: (4) + (8), adjusted for timing	78,981,840	27.91%	64,405,715	20.51%
10. Total payroll	283,020,575		314,054,361	
11. Total recommended contribution, projected to next fiscal year*	$81,351,295	27.91%	$66,659,915	20.51%
12. Total payroll, projected to next fiscal year	$291,511,192		$325,046,264	

**Recommended contributions are assumed to be paid at the end of every month.*

Reconciliation of Recommended Contribution
The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

The chart reconciles the contribution from the prior valuation to the amount determined in this valuation.

CHART 13

Reconciliation of Recommended Contribution from October 1, 2012 to October 1, 2013

Recommended Contribution as of October 1, 2012	$66,659,915
Effect of expected change in amortization payment due to payroll growth	1,544,160
Effect of contribution deferral to budget year	1,039,747
Effect of change in actuarial assumptions	7,481,493
Effect of investment loss	7,092,940
Effect of other gains and losses on accrued liability	-658,208
Effect of net other changes	-1,808,752
Total change	$14,691,380
Recommended Contribution as of October 1, 2013	$81,351,295

E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contribution to the actual contributions. This comparison demonstrates whether a plan is being funded within the range of the GASB reporting requirements. Chart14 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Plan as calculated under the GASB Standards. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

Although the GASB requires that the actuarial value of assets be used to determine the funded ratio, Chart15 shows the funded ratio calculated using both the actuarial value of assets and the market value of assets.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II, III, and IV.

These graphs show key GASB factors.

CHART 14

Required Versus Actual Contributions

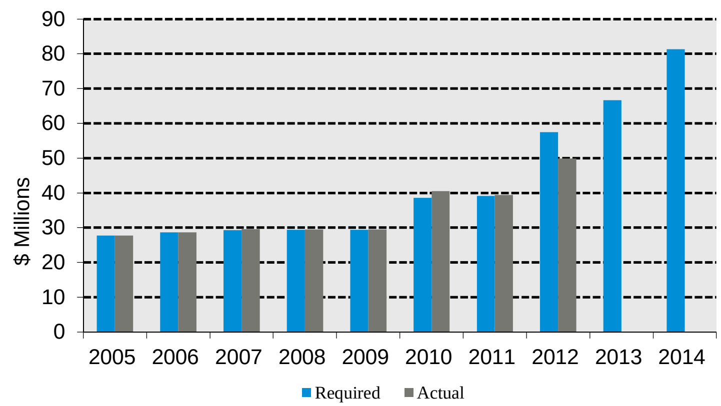


CHART 15

Funded Ratio

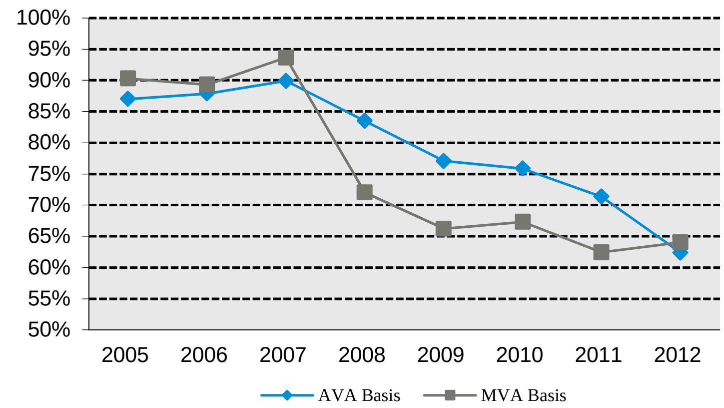


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EXHIBIT A

Table of Plan Coverage

Category	Year Ended September 30 2012	Year Ended September 30 2011	Change From Prior Year
Active participants in valuation:			
Number	5,485	6,109	-10.2%
Average age	47.7	47.4	N/A
Average years of service	11.2	10.8	N/A
Total payroll	$283,020,575	$314,054,361	-9.9%
Average payroll	51,599	51,408	0.4%
Account balances	182,808,921	188,273,197	-2.9%
Total active vested participants	3,495	3,697	-5.5%
Vested terminated participants	81	90	-10.0%
Retired participants:			
Number in pay status	3,514	3,332	5.5%
Average age	69.2	69.2	N/A
Average monthly benefit	$2,797	$2,692	3.9%
Disabled participants:			
Number in pay status	105	109	-3.7%
Average age	67.6	66.9	N/A
Average monthly benefit	$1,308	$1,284	1.9%
Beneficiaries in pay status:			
Number in pay status	1,164	1,162	0.2%
Average age	74.7	74.9	N/A
Average monthly benefit	$1,470	1,411	4.2%

EXHIBIT B

Participants in Active Service as of September 30, 2012
By Age, Years of Service, and Average Payroll

		Years of Service								
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	102	98	4	- -	- -	- -	- -	- -	- -	- -
	$35,357	$34,929	$45,837	- -	- -	- -	- -	- -	- -	- -
25 - 29	349	258	87	4	- -	- -	- -	- -	- -	- -
	39,337	38,705	41,612	$30,657	- -	- -	- -	- -	- -	- -
30 - 34	434	256	138	40	- -	- -	- -	- -	- -	- -
	46,267	44,634	48,543	48,862	- -	- -	- -	- -	- -	- -
35 - 39	507	235	144	106	22	- -	- -	- -	- -	- -
	50,082	45,503	53,673	54,832	$52,602	- -	- -	- -	- -	- -
40 - 44	675	251	146	151	64	56	7	- -	- -	- -
	52,678	48,188	53,391	55,984	55,635	$57,242	$63,949	- -	- -	- -
45 - 49	886	272	161	149	77	124	96	7	- -	- -
	53,493	44,810	55,094	55,995	58,709	60,355	58,754	$49,759	- -	- -
50 - 54	1,045	251	141	188	82	149	152	77	5	- -
	54,918	43,184	49,533	53,243	58,020	60,215	67,669	68,144	$58,764	- -
55 - 59	752	171	118	119	71	102	73	66	31	1
	54,367	42,986	51,869	56,567	57,678	52,244	60,109	68,656	72,716	$83,626
60 - 64	510	143	63	97	61	63	36	24	19	4
	54,627	42,577	52,335	55,298	58,778	59,683	62,363	71,821	80,859	64,858
65 - 69	165	36	27	33	19	27	8	8	3	4
	52,112	42,230	57,795	50,553	51,461	49,190	62,165	67,761	89,451	58,937
70 & over	60	19	6	11	5	8	4	4	2	1
	42,170	36,602	37,638	38,618	45,407	43,720	75,452	50,028	39,661	26,115
Total	5,485	1,990	1,035	898	401	529	376	186	60	10
	$51,599	$43,370	$51,290	$54,437	$57,061	$57,521	$63,313	$67,703	$73,887	$60,492

Note: Salaries in this chart are limited by the Section 401(a)(17) compensation limit, if applicable

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Vested Former Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of October 1, 2011	6,109	90	109	3,332	1,162	10,802
New participants	222	N/A	N/A	N/A	N/A	222
Terminations – with vested rights	0	0	0	0	0	0
Terminations – without vested rights	-5	N/A	N/A	N/A	N/A	-5
Retirements	-290	-11	N/A	301	N/A	0
New disabilities	-3	0	0	N/A	N/A	-3
Return to work	0	0	0	0	N/A	0
New beneficiary	0	0	0	0	66	66
Deceased	-18	0	-3	-124	-69	-214
Lump sum payoffs	-526	0	0	0	0	-526
Rehire	0	0	N/A	0	N/A	0
Certain period expired	N/A	N/A	0	0	0	0
Data adjustments	0	2	-1	5	5	11
Transfers to DC Plan	-4	0	0	0	0	-4
Number as of October 1, 2012	5,485	81	105	3,514	1,164	10,349

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended September 30, 2012		Year Ended September 30, 2011	
Net assets at actuarial value at the beginning of the year:		$1,582,041,673		$1,640,892,767
Contribution income:				
Employer contributions	$49,899,000		$39,378,000	
Employee contributions	24,098,000		25,051,000	
Less administrative expenses	-705,000		-701,000	
Net contribution income		$73,292,000		$63,728,000
Other income:		0		6,000
Adjustment to beginning of year market value:		1,040,000		0
Investment income:				
Interest, dividends and other income	$70,847,000		$31,826,000	
Recognition of capital appreciation	-46,802,747		-2,325,094	
Less investment fees	-7,532,000		-7,187,000	
Net investment income		16,512,253		22,313,906
Total income available for benefits:		$90,844,253		$86,047,906
Less benefit payments:				
Benefit Payments	-$134,676,000		-$125,943,000	
Refunds	-19,632,000		-18,956,000	
Net benefit payments		-$154,308,000		-$144,899,000
Change in reserve for future benefits:		-$63,463,747		-$58,851,094
Net assets at actuarial value at the end of the year:		$1,518,577,926		$1,582,041,673

EXHIBIT E

Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended September 30, 2012		Year Ended September 30, 2011	
Net assets at market value at the beginning of the year:		$1,384,227,000		$1,456,079,000
Contribution income:				
Employer contribution	$49,899,000		$39,378,000	
Employee contribution	24,098,000		25,051,000	
Less administrative expenses	-705,000		-701,000	
Net contribution income		$73,292,000		$63,728,000
Other income:		0		6,000
Adjustment to beginning of year market value:		1,040,000		0
Investment income:				
Interest, dividends and other income	$70,847,000		$31,826,000	
Asset appreciation	191,079,000		-15,326,000	
Less investment and fees	-7,532,000		-7,187,000	
Net investment income		254,394,000		9,313,000
Total income available for benefits:		$328,726,000		$73,047,000
Less benefit payments:				
Benefit Payments	-$134,676,000		-$125,943,000	
Refunds	-19,632,000		-18,956,000	
Net benefit payments		-$154,308,000		-$144,899,000
Change in reserve for future benefits:		$174,418,000		-$71,852,000
Net assets at market value at the end of the year:		$1,558,645,000		$1,384,227,000

EXHIBIT F
Summary Statement of Plan Assets

	Year Ended September 30, 2012		Year Ended September 30, 2011	
Cash equivalents and short-term investments		$55,542,000		$10,537,000
Accounts receivable:				
Interest and dividends	$3,044,000		$3,174,000	
Accounts	0		531,000	
Due from independent agencies and other governments	1,223,000		0	
Other	1,003,000		0	
Total accounts receivable		5,270,000		3,705,000
Investments:				
Equities	$1,090,394,000		$827,815,000	
Fixed Income	361,870,000		408,624,000	
Real Estate	111,487,000		179,967,000	
Other Assets	39,658,000		41,259,000	
Allocation to Correction Officers' Plan	-104,635,000		-86,370,000	
Total investments at market value		1,498,774,000		1,371,295,000
Total assets		$1,559,586,000		$1,385,537,000
Less accounts payable:				
Obligations Under Securities Lending Agreement (less collateral)	-$4,000		-$1,206,000	
Accounts Payable and Accrued Liabilities	-913,000		-42,000	
Accrued Compensated Absences	-16,000		-62,000	
Miscellaneous Payroll Deductions	-8,000		0	
Total accounts payable		-$941,000		-$1,310,000
Net assets at market value		$1,558,645,000		$1,384,227,000
Net assets at actuarial value		$1,518,577,926		$1,582,041,673

EXHIBIT G

Development of the Fund Through September 30, 2012

Year Ended September 30	Employer Contributions	Employee Contributions	Other Contributions and Misc. Items[1]	Net Investment Return[2]	Administrative Expenses	Benefit Payments	Actuarial Value of Assets at End of Year[3]
2008	$28,296,188	$22,291,455	$21,139	$26,755,181	$888,327	$115,501,933	$1,673,434,615
2009	28,337,121	22,738,683	-1,042,282	-1,426,012	560,801	121,183,180	1,590,298,199
2010	40,551,000	25,196,000	-2,000	**110,280,623**[4]	775,000	124,656,000	1,640,892,767
2011	39,378,000	25,051,000	-6,000	22,313,906	701,000	144,899,000	1,582,041,673
2012	49,899,000	24,098,000	1,040,000	16,512,253	705,000	154,308,000	1,518,577,926

[1] *Includes miscellaneous income and adjustments to the market value of assets*

[2] *Net of investment fees*

[3] *Excludes past excess contributions applicable to plan years ending on or before September 30, 2010*

[4] *Includes a change in asset method of $87,612,723*

EXHIBIT H

Development of Unfunded Actuarial Accrued Liability for Year Ended September 30, 2012

1. Unfunded actuarial accrued liability at beginning of year		$635,339,183
2. Normal cost at beginning of year		45,051,023
3. Total contributions		-73,997,000
4. Interest		
(a) For whole year on (1) + (2)	$56,132,192	
(b) For monthly payment, on (3)	-2,757,968	
(c) Total interest		53,374,224
5. Expected unfunded actuarial accrued liability		$659,767,430
6. Changes due to:		
(a) Loss (excluding impact of contribution deferral to budget year)	$100,433,818	
(b) Assumptions	155,495,783	
(c) Total changes		255,929,601
7. Unfunded actuarial accrued liability at end of year		$915,697,031

EXHIBIT I

Table of Amortization Bases

Type	Date Established	Initial Years	Initial Amount	Annual Payment*	Years Remaining	Outstanding Balance
Fresh Start	10/01/2004	29	- -	$24,121,207	21	$334,874,663
Decrease	10/01/2004	30	- -	-6,236,635	22	-89,002,928
Gain	10/01/2005	30	- -	-260,150	23	-3,809,085
Gain	10/01/2006	30	- -	-702,102	24	-10,529,000
Gain	10/01/2007	30	- -	-2,119,953	25	-32,510,137
Loss	10/01/2008	30	- -	9,236,795	26	144,641,522
Experience loss	10/01/2010	30	$248,759,927	15,842,362	28	257,675,887
Change in assumptions	10/01/2010	30	33,728,927	2,148,038	28	34,937,827
Change in asset method	10/01/2010	30	-87,612,723	-5,579,646	28	-90,752,905
Change in plan	10/01/2010	30	-9,782,006	-622,970	28	-10,132,609
Experience loss	10/01/2011	30	106,203,285	6,535,286	29	108,145,746
Experience loss	10/01/2012	30	116,662,267	6,936,552	30	116,662,267
Change in assumptions	10/01/2012	30	155,495,783	9,245,531	30	155,495,783
Total				$58,544,315		$915,697,031

** Level percentage of payroll*

EXHIBIT J

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of $160,000 indexed for inflation. That limit is $200,000 for 2012. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

EXHIBIT K

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions:	The estimates on which the cost of the Plan is calculated including: (a) Investment return — the rate of investment yield that the Plan will earn over the long-term future; (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates; (c) Retirement rates — the rate or probability of retirement at a given age; (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Normal Cost:	The amount of contributions required to fund the benefit allocated to the current year of service.
Actuarial Accrued Liability For Actives:	The value of all projected benefit payments for current members less the portion that will be paid by future normal costs.
Actuarial Accrued Liability For Pensioners:	The single-sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Unfunded Actuarial Accrued Liability:	The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There is a wide range of approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

Amortization of the Unfunded Actuarial Accrued Liability:	Payments made over a period of years equal in value to the Plan's unfunded actuarial accrued liability.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

EXHIBIT L

Supplementary State of Florida Information - Summary of Salary Changes

Year Ended September 30	Total Salary	Percent Change in Total Salary	Percent Change in Salary of Employees Remaining Active	Expected Percent Change in Salary of Employees Remaining Active
2006	$249,369,997	4.37%	4.81%	5.55%
2007	262,103,069	5.11%	6.03%	5.71%
2008	276,256,667	5.40%	5.08%	5.72%
2009	280,006,948	1.36%	3.16%	5.42%
2010*	275,173,962	-1.73%	0.61%	5.36%
2010	322,530,502	17.21%	N/A	N/A
2011	314,054,361	-2.63%	0.94%	5.62%
2012	283,020,575	-9.88%	2.31%	5.83%

Note: The average total payroll growth for the most recent six years was 2.13% per year.

**Prior to the inclusion of new participants with greater than one year of employment.*

EXHIBIT L (continued)

Supplementary State of Florida Information – Recent History of Recommended and Actual Contributions

Fiscal Year Ended September 30	Valuation Date September 30	Contribution Rate as Percent of Valuation Payroll	Projected Valuation Payroll	Recommended Contribution	Actual Contribution
2010	2008	13.50%	$285,925,650	$38,611,842	$40,551,000
2011	2008*	13.50%	289,807,191	39,123,971	39,378,000
2012	2010	17.22%	333,819,070	57,497,706	49,899,000
2013	2011	20.51%	325,046,264	66,659,915	--
2014	2012	27.91%	291,511,192	81,351,295	--

All amounts prior to the 2010 valuation date were prepared by the prior actuary.

**An actuarial valuation was not performed for the plan year beginning October 1, 2009. The recommended contribution is based on the 2008 valuation's contribution rate.*

EXHIBIT L (continued)

Supplementary State of Florida Information - Comparative Summary of Principal Valuation Results

	Year Ended September 30, 2012		
	New Assumptions	Old Assumptions	Year Ended September 30, 2011
Participant data			
Active members	5,485	5,485	6,109
Total annual payroll	$283,020,575	$286,112,512	$314,054,361
Retired members and beneficiaries	4,783	4,783	4,603
Total annualized benefit	$140,140,468	$140,140,468	$128,981,915
Terminated vested members	81	81	90
Total annualized benefit	$1,383,688	$1,383,688	$1,490,916
Actuarial value of assets	$1,518,577,926	$1,518,577,926	$1,582,041,673
Present value of all future expected benefit payments:			
Active members:			
Retirement benefits	$884,350,310	$856,783,441	$935,185,337
Vesting benefits	30,341,416	32,670,360	36,047,402
Disability benefits	--	--	--
Death benefits	19,318,208	29,900,469	32,040,932
Return of contributions	182,808,921	182,808,921	188,273,197
Total	$1,116,818,855	$1,102,163,191	$1,191,546,868
Terminated vested members	8,540,839	7,739,915	8,477,161
Retired members and beneficiaries	1,607,313,932	1,521,569,148	1,400,324,733
Total	$2,732,673,626	$2,631,472,254	$2,600,348,762

EXHIBIT L (continued)

Supplementary State of Florida Information – Comparative Summary of Principal Valuation Results

	Year Ended September 30, 2012		
	New Assumptions	Old Assumptions	Year Ended September 30, 2011
Unfunded actuarial accrued liability	$915,697,031	$760,201,248	$635,339,183
Actuarial present value of accrued benefits			
Vested accrued benefits			
Active members	$640,893,950	$565,649,653	$618,566,191
Inactive members	8,540,839	7,739,915	8,477,161
Pensioners and beneficiaries	1,607,313,932	1,521,569,148	1,400,324,733
Nonvested active members	7,904,097	8,358,828	8,882,903
Total	$2,264,652,818	$2,103,317,544	$2,036,250,988
Pension cost			
Normal cost, including administrative expenses	$39,117,906	$41,224,931	$45,051,023
Expected employee contributions	-21,792,584	-22,030,663	-24,182,186
Level % of payroll payment to amortize unfunded actuarial accrued liability	58,544,315	49,195,489	40,845,899
Total minimum annual cost payable monthly at valuation date	78,981,840	71,371,789	64,405,715
Total employer cost projected to budget year	81,351,295	73,869,802	66,659,915
As % of payroll	27.91%	24.95%	20.51%
Present value of active members' future salaries at attained age	$2,250,471,164	$2,536,045,203	$2,759,789,990

EXHIBIT L (continued)

Supplementary State of Florida Information - Actuarial Present Value of Accumulated Plan Benefits

The factors that affected the change in the actuarial present value of accumulated plan benefits from the preceding to the current benefit information date are as follows:

Factors		Change in Actuarial Present Value of Accumulated Plan Benefits
Actuarial present value of accumulated benefit as of October 1, 2011		$2,036,250,988
Benefits accumulated, net experience gain or loss, changes in data	$60,279,488	
Change in assumptions	161,335,274	
Benefits paid	-154,308,000	
Interest	161,095,068	
Net increase		228,401,830
Actuarial present value of accumulated benefit as of October 1, 2012		$2,264,652,818

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1.	Retired participants as of the valuation date (including 1,164 beneficiaries in pay status)		4,783
2.	Participants inactive during year ended September 30, 2012 with vested rights		81
3.	Participants active during the year ended September 30, 2012		5,485
	Fully vested	3,495	
	Not vested	1,990	

The actuarial factors as of the valuation date are as follows:

1.	Normal cost, including administrative expenses		$39,117,906
2.	Actuarial accrued liability		2,434,274,957
	Retired participants and beneficiaries	$1,607,313,932	
	Inactive participants with vested rights	8,540,839	
	Active participants	818,420,186	
3.	Actuarial value of assets ($1,558,645,000 at market value as reported by the City)		1,518,577,926
4.	Unfunded actuarial accrued liability		$915,697,031

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended contribution is as follows:

1.	Total normal cost	$38,412,906
2.	Administrative expenses	705,000
3.	Expected employee contributions	-21,792,584
4.	Employer normal cost: (1) + (2) + (3)	$17,325,322
5.	Payment on projected unfunded actuarial accrued liability	58,544,315
6.	Total recommended contribution: (4) + (5), adjusted for timing and projected to October 1, 2013	$81,351,295
7.	Payroll projected to October 1, 2013	$291,511,192
8.	Total recommended contribution as a percentage of projected payroll: (6) ÷ (7)	27.91%

EXHIBIT II

Supplementary Information Required by the GASB – Schedule of Employer Contributions

Plan Year Ended September 30	Annual Required Contributions	Actual Contributions*	Percentage Contributed
2005	$27,724,000	$27,724,000	100.0%
2006	28,670,000	28,670,000	100.0%
2007	29,297,000	29,581,000	101.0%
2008	29,371,000	29,488,000	100.4%
2009	29,491,000	29,530,000	100.1%
2010	38,611,842	40,551,000	105.0%
2011**	39,123,971	39,378,000	100.6%
2012	57,497,706	49,899,000	86.8%***
2013	66,659,915	--	--
2014	81,351,295	--	--

** Includes Past Excess Contributions for plan years ending September 30, 2005 and 2006.*

***An actuarial valuation was not performed for the plan year beginning October 1, 2009. The recommended contribution is based on the 2008 valuation's contribution rate.*

****The City contributed based on the contribution rate percentage. Due to a decline in payroll, actual contributions did not match required contributions.*

EXHIBIT III

Supplementary Information Required by the GASB – 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 a Percentage of Covered Payroll [(b) - (a)] / (c)
10/01/2005	$1,509,710,000	$1,734,997,000	$225,287,000	87.02%	$226,819,000	99.32%
10/01/2006	1,593,296,000	1,812,972,000	219,676,000	87.88%	237,108,000	92.65%
10/01/2007	1,712,461,000	1,904,929,000	192,468,000	89.90%	248,887,000	77.33%
10/01/2008	1,673,435,000	2,004,279,000	330,844,000	83.49%	262,345,000	126.11%
10/01/2009*	1,591,345,000	2,065,464,000	474,119,000	77.05%	276,257,000	171.62%
10/01/2010	1,640,892,767	2,163,079,984	522,187,217	75.86%	322,530,502	161.90%
10/01/2011	1,582,041,673	2,217,380,856	635,339,183	71.35%	314,054,361	202.30%
10/01/2012	1,518,577,926	2,434,274,957	915,697,031	62.38%	283,020,575	323.54%

All results prior to October 1, 2010 were taken from the City's September 30, 2009 Comprehensive Annual Financial Report.

**An actuarial valuation was not performed for the plan year beginning October 1, 2009.*

EXHIBIT IV

Supplementary Information Required by the GASB

Valuation date	October 1, 2012	
Actuarial cost method	Entry Age Normal Cost Method	
Amortization method	Level percent of payroll	
Remaining amortization period	All new bases are amortized over 30 years.	
	The net effective amortization period is 26 years as of October 1, 2012.	
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	
Actuarial assumptions:		
Investment rate of return	7.75%	
Inflation rate	3.00%	
Projected salary increases	3.00% - 6.00%	
Cost of living adjustments	The Plan provisions contain a 3.00% COLA.	
Plan membership:		
Retired participants and beneficiaries receiving benefits	4,783	
Terminated participants entitled to, but not yet receiving benefits	81	
Active participants	5,485	
Total	10,349	

EXHIBIT V

Development of the Net Pension Obligation (NPO) and the Annual Pension Cost Pursuant to GASB 27

Plan Year Ended September 30	Employer Annual Required Contribution (a)	Employer Amount Contributed (b)	Interest on NPO (h) x 8.25%* (c)	ARC Adjustment (h) / (e) (d)	Amortization Factor (e)	Pension Cost (a) + (c) – (d) (f)	Change in NPO (f) – (b) (g)	NPO Balance NPO + (g) (h)
2009	--	--	--	--	--	--	--	$156,000
2010	$38,611,842	$40,551,000	-$13,104	-$11,139	14.0044	$38,609,877	$1,941,123	-2,097,123
2011	39,123,971**	39,378,000	-173,013	-149,747	14.0044	39,100,705	-277,295	-2,374,418
2012	57,497,706	49,899,000	-195,889	-163,934	14.4840	57,465,751	7,566,751	5,192,333

Amounts prior to the year ending September 30, 2011 were determined by the prior actuary.

** 8.40% for years prior to 2011*

***An actuarial valuation was not performed for the plan year beginning October 1, 2009. The recommended contribution is based on the 2008 valuation's contribution rate.*

EXHIBIT VI

Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:

Pre-retirement:	RP-2000 Employee Mortality Table, set forward one year and projected to 2013 with Scale BB
Healthy annuitants:	RP-2000 Annuitant Mortality Table, set forward one year and projected to 2013 with Scale BB
Disabled annuitants:	RP-2000 Disabled Retiree Mortality Table

The RP-2000 Annuitant Mortality table, set forward one year reasonably reflects the projected healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The additional projection to 2013 is a provision for future mortality improvement.

RP-2000 Disabled Retiree Mortality table reasonably reflects the projected disabled annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. No provision was made for future mortality improvement after the measurement date because of a lack of a consistent basis for projecting mortality improvements for disabled lives.

Termination Rates before Retirement:

	Rate (%)			
	Mortality		Disability*	
Age	Male	Female	Male	Female
20	0.03	0.02	0.01	0.01
25	0.04	0.02	0.02	0.01
30	0.05	0.03	0.02	0.02
35	0.08	0.05	0.03	0.03
40	0.11	0.07	0.04	0.04
45	0.16	0.12	0.06	0.06
50	0.22	0.17	0.11	0.10
55	0.32	0.25	0.17	0.15
60	0.48	0.37	0.29	0.20
65	0.68	0.53	0.00	0.00

**100% of disabilities are assumed to be non-service incurred.*

	Withdrawal**			
Service	COJ Male Withdrawal***	COJ Female Withdrawal***	JEA Male Withdrawal	JEA Female Withdrawal
0-1	12.00	15.00	6.50	7.00
1-2	10.00	9.00	5.00	5.00
2-3	8.00	9.00	3.50	5.00
3-4	7.00	9.00	3.50	5.00
4-5	7.00	7.00	3.50	5.00
5-6	7.00	7.00	3.50	4.00
6-7	6.00	7.00	3.00	4.00
7-8	6.00	7.00	2.50	3.50
8-9	5.00	5.00	2.50	3.50
9-10	4.00	5.00	2.50	3.50
10+	1.50	2.00	1.50	2.00

***All withdrawal rates are set to 0% after eligibility for retirement.*

****COJ withdrawal rates above are increased by 5.00% for ages under 30.*

Retirement Rates:

COJ

Age	Rate (%)*
Under 50	2.50
50-52	5.00
53-54	10.00
55-59	15.00
60-64	20.00
65-69	30.00
70 & Over	100.00

**Above rates are increased by 20% for the year in which a participant attains 30 years of service and by 15 % for the year in which a participant attains 32 years of service. The rate is set to 50% for years of service 37 through 39 and to 100% after 50 years of service, regardless of age.*

JEA

Service	Rate (%)**
20	10
21-29	8
30	15
31	10
32-34	20
35	25
36	15
37-39	50
40 & Over	100

***The rate is set to 100% for ages 65-69 with at least 20 years of service and age 70 or older, regardless of service*

Net Investment Return: 7.75%

Salary Increases (including inflation):

Service	Rate (%)***
0-4	6.0
5-9	5.0
10-14	4.0
15+	3.0

****For purposes other than determining entry age normal cost, the above rates are reduced by 3% for three years beginning October 1, 2012 for COJ participants.*

Inflation Rate: 3.00%

Payroll Growth Rate: 3.00%

Administrative Expenses: Previous year’s actual expenses; $705,000 for October 1, 2012.

Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected market return, and is recognized over a five - year period, further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by compensation, with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Changes in Assumptions:	This valuation reflects the assumption changes recommended in the City of Jacksonville General Employees Retirement Plan Actuarial Experience Study for the period from October 1, 2007 to September 30, 2012 and adopted by the Board of Trustees. The changes reflected are as follows:

- Pre-retirement mortality was changed from the RP-2000 Combined Healthy Mortality Table to the RP-2000 Employee Mortality Table, set forward one year and projected to 2013 with Scale BB.
- Healthy annuitant mortality was changed from the RP-2000 Combined Healthy Mortality Table to the RP-2000 Annuitant Mortality Table, set forward one year and projected to 2013 with Scale BB.
- The tables of male and female disability rates were reduced to be 70% of their prior values.
- The withdrawal rates for COJ participants were changed from a table provided by the prior actuary of rates based on sex, age and service to a new table based on sex and service with an adjustment for ages under 30.
- A refund of contributions assumption was added. It is assumed that 95% of participants that are vested and terminate take a refund of their employee contributions in lieu of their accrued benefit deferred to age 65.
- The withdrawal rates for JEA participants were changed from a table provided by the prior actuary of rates based on sex, age and service to a new table based on sex and service.

- The retirement rates for COJ participants were changed from an age and service based table provided by the prior actuary to a new table based on age with adjustments at certain service levels.
- The retirement rates for JEA participants were changed from an age and service based table provided by the prior actuary to a new table based on service with adjustments at certain ages.
- The percent married assumption for female active participants was changed from 65% to 50%.
- A BACKDROP assumption was added. It is assumed that 90% of participants eligible to take the BACKDROP option elect to take the maximum BACKDROP period and the interest over the BACKDROP period is assumed to be 4%.
- The net investment return assumption was reduced from 8.25% to 7.75%.
- The salary scale was reduced by 1.5% for the first five years of service and by 1.0% for later years of service. Furthermore, for purposes other than determining normal cost, the salary scale was reduced by 3% for three years, beginning October 1, 2012 for COJ participants.
- The inflation assumption was reduced from 3.50% to 3.00%.
- The payroll growth rate assumption was reduced from 3.50% to 3.00%.

EXHIBIT VII

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	October 1 through September 30
Service Retirement:	
Age Requirement	Age 65 with five years of Credited Service, age 55 with 20 years of Credited Service or any age with 30 years of Credited Service.
Regular Benefit Amount	2.5% of Final Monthly Compensation times years of Credited Service, not more than 80% of Final Monthly Compensation.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	$50.65 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.
Early Retirement:	
Age Requirement	Age 50 with 20 years of Credited Service
Regular Benefit Amount	Accrued Service Retirement Regular Benefit Amount reduced by 0.5 percent for each month the benefit commencement precedes age 55.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	$50.65 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Age Requirement	Any age with 25 years of Credited Service
Regular Benefit Amount	2.0% of Final Monthly Compensation times years of Credited Service
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	$50.65 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Vesting:

Age Requirement	None
Service Requirement	5 years of Credited Service
Regular Benefit Amount	Accrued Service Retirement Regular Benefit payable at age 65.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Credited Service, not less than $25 per month or more than $150 per month. Payable at Age 65.
Minimum Benefit Amount	$50.65 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Spouse's Pre-Retirement Death Benefit:

Age Requirement	None
Service Requirement	None
Regular Benefit Amount	If the Member is eligible for retirement, the surviving spouse is entitled to 75% of the member's accrued regular benefit. If the Member is not eligible for retirement, the surviving spouse is entitled to 75% of the pension the Member would have received if the Member had had worked to eligibility for a Service Retirement at current salary with the benefit based on a 2% accrual rate.
Supplemental Benefit Amount	Monthly benefit of $5 times years of Member's Credited Service, not less than $25 per month or more than $150 per month.
Minimum Benefit Amount	75% of $50.65 per whole year of Member's Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.

Spouse's Post-Retirement Death Benefit:	
Regular Benefit Amount	Surviving spouse is entitled to 75% of the Member's regular benefit.
Supplemental Benefit Amount	Surviving spouse is entitled to 100% of the Member's supplemental benefit.
Minimum Benefit Amount	75% of $50.65 per whole year of Member's Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1st.
Member:	All full-time JEA, JHA, NFTPO, and City General Employees are eligible for membership in the Plan upon date of hire.
Member Contributions:	7.7% of Earnable Compensation.
Credited Service:	The number of full years and months worked from date of participation to date of termination or retirement, plus any prior service purchased.
Final Monthly Compensation:	Average monthly rate of Earnable Compensation during the highest 36 consecutive months (78 pay periods) out of the last ten years of employment.
Earnable Compensation:	Base pay for regular hours worked as an employee, plus service raises and excluding bonuses, adjusted compensation, overtime or any extra compensation over and above regularly budgeted salaries.
Cost of Living Adjustment:	On the April 1st nearest the fifth anniversary of the initial benefit commencement date, and on each April 1st thereafter, the regular benefit is increased by 3%.
BACKDROP:	Members with 30 or more years of service may elect to have their retirement benefits calculated as if the member had retired up to 5 years earlier on or after October 1, 2005. Benefits that would have been payable are accumulated with interest to date of termination and paid or rolled over in a single sum, and payments are made directly to the Member thereafter. The 5-year wait to receive COLA increases starts at termination of employment rather than at the start of BACKDROP.
Partial Lump-sum Option (PLOP):	Members who are eligible for retirement may elect to receive a lump-sum benefit of up to 15% of the benefit value and a reduced life annuity actuarially equivalent to the benefit that would otherwise be payable.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

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