

CITY OF TAMPA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 18 (A) - EMPLOYEE RETIREMENT AND PENSION PLANS - FIREFIGHTERS AND POLICE OFFICERS' PENSION FUND - (Continued)

Actuarial Assumptions

Tampa Firefighters and Police Officers' Pension Fund

Actual Valuation Methods and Assumption

Valuation Date	October 1, 2013
Plan Year	October 1 - September 30
Experience Study Date	December 18, 2013
Actuarial Cost Method	Entry Age Normal
Method	Level Percent Closed
Mortality	RP-2000 Fully Generational Table with Blue Collar Adjustment
Payroll Growth	4.00% Annual
Inflation Rate	3.00% Annual
Employees Covered	All as of Valuation Date
Asset Valuation Method	Actuarial Value
Investment Rate of Return	8.50%
Projected Salary Increases	4.00%

Salary Scale:

	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
Firefighters with less than 8 years of service	20	12.00 %	30	10.00 %	40	9.50 %
	25	11.00 %	35	9.50 %	45 +	9.00 %
Firefighters with at least 8 years of service	20	7.50 %	30	7.50 %	40	6.50 %
	25	7.50 %	35	6.50 %	45 +	5.00 %
Police Officers with less than 8 years of service	20	8.00 %	30	8.00 %	40	8.00 %
	25	8.00 %	35	8.00 %	45 +	7.00 %
Police Officers with at least 8 years of service	20	9.00 %	30	6.00 %	40	4.00 %
	25	8.00 %	35	4.75 %	45 +	4.00 %

Long-Term Expected Rate of Return

The Tampa Fire and Police Pension Fund's (the Fund) investment policy outlines the Fund's investment approach and provides direction as to how the Fund's investment manager will invest its assets. The desired investment objective is a long-term rate of return on assets of at least 8.5%, which is anticipated to be approximately 3.5-5.5% greater than the anticipated rate of inflation as measured by the Consumer Price Index (CPI) -- All Urban Consumers. This target rate of return for the plan is based upon the assumption that future real returns will approximate the historical long-term rates of return experienced for each asset class held by the Pension Fund. This target rate of return is also based upon the 5% rate of return of the base plan, and the ratio of the total fund to the base plan, which was 1.7 at September 30, 2012, as reported by the actuary (5% x 1.7 ratio - 8.5% target return for total fund).