

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)

Discount Rate

The discount rate used to measure the total pension liability was 8.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member and State contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability, in accordance with the method prescribed by GASB Statement No. 67. We believe this assumption is reasonable for the purposes of the measurements required by the Statement. In the event of benefit payments not covered by the plan's fiduciary net position, a municipal bond rate of 3.51% would be used to discount the benefit payments not covered by the plan's fiduciary net position. The 3.51% rate equals the S&P Municipal Bond 20-Year High Grade Rate Index at September 30, 2014.

Changes in the Net Pension Liability

The following table shows the changes in the Net Pension Liability based on the actuarial information provided to the City of Tampa Pension Fund for Firefighters and Police Officers.

GASB Statement No. 68 Disclosures for Fiscal Year Ending September 30, 2015

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability c=(a)-(b)
Balance Recognized as September 30, 2013	\$ 1,856,328,081	\$ 1,773,036,097	\$ 83,291,984
Charges for the Year:			
Service Cost	24,066,259	-	24,066,259
Interest on Total Pension Liability	86,643,406	-	86,643,406
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Employer Contributions	-	17,180,351	(17,180,351)
Employee Contributions	-	14,069,404	(14,069,404)
State Contributions	-	6,392,430	(6,392,430)
Net Investment Income	-	78,763,861	(78,763,861)
Investment Return Allocated to DROP, PRAA and 13th Accounts	130,932,534	130,932,534	-
Benefits Payments, Including Refunds of Employee Contributions	(109,130,009)	(109,130,009)	-
Administrative Expense	-	(1,372,155)	1,372,155
Other Charges	-	15,363	(15,363)
Net Changes	<u>132,512,190</u>	<u>136,851,779</u>	<u>(4,339,589)</u>
Balance at September 30, 2014	<u>\$ 1,988,840,271</u>	<u>\$ 1,909,887,876</u>	<u>\$ 78,952,395</u>