



TO: Mayor Gorton and the Urban County Council

FROM: Abigail Allan

CC:

DATE: August 3, 2022

SUBJECT: CEPF annuity increase/ Ordinance amendment

Request: Authorization to amend Section 6-53 of the Code of Ordinances to provide for a five percent (5%) increase to each retiree's base annuity starting in 2023. The Board unanimously approved a motion to provide this increase. The attached ordinance is consistent with how the increase to base annuity was implemented last year. The ordinance would be effective January 1, 2023 and would apply to payments received after January 1, 2023.

Why are you requesting? On July 26, 2022 the Board voted to increase the base annuity pay to provide a 5% annuity increase to retirees, and beneficiaries, participating in the City Employee's Pension Fund. The projected financial impact listed in the table below is based on the most recent data available:

	Current scenario	Base Adjustment increase 5%
Nominal Dollars of Projected Payments	\$9,115,389	\$9,571,159
Actuarial Accrued Liability	\$6,115,683	\$6,412,276
Funded Ratio	592.90%	565%
Liability Defeasing Portfolio3	\$8,369,817	\$8,788,311

Director/Commissioner: Allan/ Hamilton

