



TO: Mayor Gorton and the Urban County Council

FROM: Abigail Allan

CC:

DATE: October 18, 2023

SUBJECT: City Employees' Pension Fund Annuity Increase/ Ordinance Amendment

## Request:

Authorization to amend Section 6-53 of the Code of Ordinances to provide for a five percent (5%) increase, effective January 1, 2024, to each retiree or beneficiary's base annuity. The increase will apply to all annuity payments made after January 1, 2024. The pension is a "closed" fund, and as of July 1, 2023, there are 8 retirees and 21 beneficiaries participating in the fund, which is over 500% funded.

## Why are you requesting?

On August 31, 2023, the Board voted unanimously 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 prior COLA increase was approved in 2022, and the Ordinance is attached for reference (O-89-2022). The projected financial impact listed in the table below is based on the most recent data available:

	Preliminary July 1, 2023 Valuation Results	Ad-Hoc COLA (5% COLA)
<b>Actuarial Accrued Liability</b>		
Retirees	\$ 1,489,176	\$ 1,563,635
Beneficiaries	3,726,126	3,912,432
Death Benefit	<u>25,986</u>	<u>25,986</u>
<b>Total</b>	<b>\$ 5,241,288</b>	<b>\$ 5,502,053</b>
Assets	\$ 31,991,555	\$ 31,991,555
<b>Unfunded Actuarial Accrued Liability</b>	<b>\$(26,750,267)</b>	<b>\$(26,489,502)</b>
<b>Funded Ratio</b>	<b>610%</b>	<b>581%</b>



What is the cost in this budget year and future budget years?

The cost for this FY is:

The cost for future FY is:

Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: Funds are fully budgeted

Account number: 5002-505004-0001-6XXXX

File Number: 1087-23

Director/Commissioner: Allan/Hamilton

