



TO: Mayor and Urban County Council  
 FROM: Abigail Allan  
 CC: Samantha Coleman  
 DATE: 10/29/2019  
 SUBJECT: CEPF Ordinance 4% Base Annuity Raise

The City Employee Pension Fund Board is Requesting Authorization to Approve a 4% Base Annuity Raise for the City Employee Pension Fund recipients.

On August 27, 2019 the Board voted to approve a Base Annuity Raise of 4% and submit an Ordinance to Council for final approval. The projected financial impact, provided by PFM, is below:

|  | Current Scenario | Base Adjustment Increase 4.0% |
|--|------------------|-------------------------------|
| <b>Nominal Dollars of Projected Payments<sup>2</sup></b> | \$13,596,815     | \$14,140,688                  |
| <b>Actuarial Accrued Liability<sup>1</sup></b>           | \$8,874,990      | \$9,215,662                   |
| <b>Funded Ratio<sup>1</sup></b>                          | 340.2%           | 327.7%                        |
| <b>Liability Defeasing Portfolio<sup>3</sup></b>         | \$11,579,085     | \$12,042,250                  |

The Pension is a “closed” fund and currently has 54 total members with 15 Retirees and 39 Beneficiaries.

If approved the new base annuity increase would take effect in January 2020.

Director/Commissioner: Abigail Allan, ex officio and secretary of Board; Mayor Gorton, chair

