



TO: Mayor Gorton and the Urban County Council

FROM: Abigail Allan

CC:

DATE: 11/5/2021

SUBJECT: CEPF annuity increase

Request: Authorization for an ordinance to provide for an increase of four percent (4%) to each retiree's base annuity or the annuity paid to the retiree's widow or dependent children, effective January 1, 2022

Why are you requesting? On November 2, 2021 the Board voted to increase the base annuity pay to provide a 4% annuity increase to retirees, and beneficiaries, participating in the City Employee's Pension Fund. The Pension is a closed fund is has 38 current members (11 retirees and 27 beneficiaries). The projected financial impact, provided by PFM, is below:

	Current scenario	Base Adjustment increase 4%
Nominal Dollars of Projected Payments	\$9,115,389	\$9,480,005
Actuarial Accrued Liability	\$6,115,683	\$6,352,957
Funded Ratio	592.9%	570.8%
Liability Defeasing Portfolio3	\$8,369,817	\$8,704,612

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

