

December 18, 2017

Mr. T. Scott Baker
New Port Richey Police Officers'
Retirement System
6739 Adams Street
New Port Richey, Florida 34652

Re: Proposed Ordinance No. XXX

Dear Scott:

As requested by H. Lee Dehner, Esq., we have performed an actuarial review of the attached proposed Ordinance under the New Port Richey Police Officers' Retirement System.

Based upon our review, the proposed Ordinance:

1. Provides an effective date for the amended definition of *Average Final Compensation* and benefit freeze
2. Updates definition of *Actuarial Equivalent*
3. Amends definition of *Credited Service* to comply with Internal Revenue Code (IRC) regulations on leave conversions of unused accrued paid time off
4. Provides an effective date for the definition of *Salary* and benefit freeze
5. Updates definition of *Spouse* in compliance with a recent U.S. Supreme Court ruling
6. Provides an effective date for the *Plan Freeze; New Benefit Structure* and benefit freeze
7. Amends *Conditions of Eligibility* to limit those individuals eligible to-opt out of the Retirement System to comply with State statute
8. Adds definition of *Normal Retirement Age*
9. Provides an effective date for the amended *Normal Retirement Benefit* and benefit freeze
10. Provides an effective date for the amended *Disability Benefits In-line of Duty* and benefit freeze
11. Provides an effective date for the amended *Disability Benefits not In-line of Duty* and benefit freeze
12. Clarifies maximum allowable period to apply for disability benefits for members terminated by the City for medical reasons
13. Updates maximum benefit limitations in compliance with IRC
14. Amends *Prior Police Service* to correct a Section reference
15. Provides an effective date for the amended *Deferred Retirement Option Plan (DROP)* and benefit freeze

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16. Clarifies treatment of any lump sum payment, investment credits, distributions, IRC compliance for purposes of *Deferred Retirement Option Plan (DROP)*
17. Provides for severability
18. Provides for codification
19. Repeals all Ordinances or parts of Ordinances in conflict herewith.
20. Provides for an effective date.

In our opinion, based upon the actuarial assumptions and methods employed in the October 1, 2016 Actuarial Impact Statement, the proposed Ordinance is a *no cost* Ordinance under State minimum funding requirements.

Please forward a copy of the Ordinance upon passage at second reading to update our records.

We are available to respond to any questions concerning the above.

Sincerest regards,



Lawrence F. Wilson, A.S.A.
Senior Consultant and Actuary

Enclosure

cc: H. Lee Dehner, Esq.