



January 31, 2025

Mr. Owen Kohler
Lead Assistant City Attorney
City of Clearwater - City Attorney's Office
600 Cleveland Street, Suite 600
Clearwater, Florida 33755

Re: City of Clearwater Employees' Pension Plan – No Actuarial Impact Letter for Proposed Ordinance

Dear Mr. Kohler:

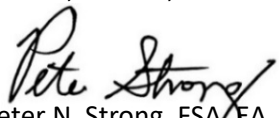
We have reviewed proposed ordinance #9818-25, which would add Section 2.429 titled "Prior firefighter and military service buybacks" to the City Code. Under the proposed ordinance, firefighters would be permitted to purchase prior firefighter and/or military service under the City of Clearwater Employees' Pension Plan, subject to a maximum of five years of combined purchased service. Purchased service counts for all purposes except vesting and eligibility towards off-duty disability retirement. Members would be required to pay the full actuarial cost of the service being purchased including the fee for the professional services to prepare the calculation. Payment must be made in a lump sum within six months of requesting the credit OR in biweekly payments over a period of time not to exceed the length of service being purchased, including interest at the actuarially assumed rate of return as of the time of purchase.

Since firefighters will be required to pay the full actuarial cost of the service being purchased, it is our opinion that future service purchases pursuant to this Ordinance will not have an immediate actuarial impact on the cost of the Pension Plan. There may be future experience gains and losses associated with service purchases if actual Plan experience does not match the actuarial assumptions used to determine the cost of the service purchases, so future service purchases will (marginally) increase the Plan's exposure to risk. However, **this Ordinance will not have an immediate cost impact on the Plan for prefunding purposes, and thus a formal Actuarial Impact Statement is not required.** We recommend you send a copy of this letter and the ordinance to the Bureau of Local Retirement Systems.

Peter N. Strong is a member of the American Academy of Actuaries and meets the Academy's Qualification Standards to render the actuarial opinion contained herein. The signing actuary is independent of the plan sponsor.

Please let us know if there are any questions.

Sincerely yours,
Gabriel, Roeder, Smith & Company


Peter N. Strong, FSA, EA, MAAA, FCA
Senior Consultant and Actuary

This communication shall not be construed to provide tax advice, legal advice or investment advice.

cc: Mr. Jay Ravins, Finance Director