



Summary of Funding Soundness Restoration Plans (FSRPs) Submitted Since the Prior PRB Meeting

Texas Government Code Section 802.2015(e) requires FSRPs to be developed by the public retirement system and the associated governmental entity in accordance with the system's governing statute; and be designed to achieve a contribution rate that will be sufficient to amortize the unfunded actuarial accrued liability within 40 years not later than the 10th anniversary of the date on which the final version of an FSRP is agreed to. The following table summarizes the FSRPs received by the PRB since the last board meeting.

Retirement System	FSRP Trigger Amortization Period	Plan Changes			Comments
		Employee Contributions	Employer Contributions	Other	
Fort Worth Employees Retirement Fund	Infinite	<u>OLD</u> General/Fire: 8.25% Police: 8.73% <u>NEW</u> General (Group I): 9.35% + 0.7% General (Group II): 9.35% Fire: 12.05% phased in by 2020 Police: 13.13% phased in by 2021	<u>OLD</u> General/Fire: 19.74% Police: 20.46% <u>NEW</u> General/Fire: 24.24% Police: 24.96%	<ul style="list-style-type: none"> • Eliminated automatic COLA and established a Variable COLA for certain Tier I members • Eliminated future accruals of major medical and excess sick leave toward service and Final Average Compensation • Added overtime in the calculation of member contributions • Extended maximum DROP period to six years • Established certain automatic risk-sharing contribution increases when plan funding is not meeting funding requirements. 	City Code targets full funding by 12/31/2048. Beginning in 2022, automatic risk-sharing splits contribution increases above the calculated ADC with 60% attributed to the employer and 40% attributed to the employee, subject to caps. If ADC continues to exceed maximum allowable contribution, additional benefit reductions must be considered.

Systems Immediately Subject to FSRP Formulation Requirement

The FSRP requirement is triggered for retirement systems that have had amortization periods over 40 years for three consecutive annual actuarial valuations, or two consecutive actuarial valuations if the systems conduct the valuations every two or three years.

Systems Immediately Subject to FSRP Formulation Requirement							
Plan Name	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of AV	FSRP Due Date
University Park Firemen's Relief & Retirement Fund – Revised FSRP ¹	81.3	12/31/2012	53.7	1/1/2015	Infinite	12/31/2016	10/23/2018
Harlingen Firemen's Relief & Retirement Fund – Revised FSRP ¹	66.6	12/31/2013	Infinite	12/31/2015	59.1	9/30/2017	10/30/2018
Wichita Falls Firemen's Relief & Retirement Fund – Revised FSRP ¹	43.7	1/1/2016	49.4	1/1/2017	Infinite	1/1/2018	2/11/2019
Irving Firemen's Relief & Retirement Fund – Revised FSRP ¹	63.4	1/1/2014	46.5	12/31/2015	Infinite	12/31/2017	4/17/2019
Midland Firemen's Relief & Retirement Fund – Revised FSRP ¹	59.1	1/1/2014	44.7	12/31/2015	Infinite	12/31/2017	8/21/2019
Odessa Firemen's Relief & Retirement Fund – Revised FSRP ¹	46.5	1/1/2017	47.1	1/1/2018	77.5	1/1/2019	12/29/2019

¹Texas Government Code Section 802.2015(d) requires plans to formulate a revised FSRP if the system conducts an actuarial valuation showing that the system's amortization period exceeds 40 years, and the previously formulated FSRP has not been adhered to.

Systems at Risk of FSRP Formulation Requirement

These at-risk systems' most recent actuarial valuation shows an amortization period that exceeds 40 years but does not yet trigger the FSRP requirement.

Systems at Risk of FSRP- Not Yet Subject to FSRP Requirement							
Plan Name	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of AV	FSRP Due Date
Amarillo Firemen's Relief & Retirement Fund	28.8	1/1/2014	34.5	12/31/2015	43.5	12/31/2017	N/A
Beaumont Firemen's Relief & Retirement Fund	49.6	12/31/2012	39.1	12/31/2014	104.0	12/31/2016	N/A
Cleburne Firemen's Relief & Retirement Fund	34.1	12/31/2012	27.3	12/31/2014	49.6	12/31/2016	N/A
Longview Firemen's Relief & Retirement Fund	37.9	12/31/2015	50.7	12/31/2016	40.2	12/31/2017	N/A
McAllen Firemen's Relief & Retirement Fund	43.9	9/30/2012	29.0	10/1/2014	41.4	10/1/2016	N/A
Paris Firefighters' Relief & Retirement Fund	29.2	1/1/2013	26.1	12/31/2014	41.9	12/31/2016	N/A
Plainview Firemen's Relief & Retirement Fund	31.4	12/31/2013	31.6	12/31/2015	44.8	12/31/2017	N/A
Laredo Firefighters Retirement System	29.8	9/30/2014	28.0	9/30/2016	43.0	9/30/2018	N/A

Progress Report on Previously Submitted FSRPs

The following plans have previously formulated an FSRP. The table below outlines their progress towards the FSRP requirement.

Systems Still Working Towards Meeting the 40-Year Amortization Period Requirement						
Plan Name	FSRP Trigger		Current Progress ¹		Goal Year ²	Update Required
	Am Period	Date	Am Period	Date		
Dallas Employees' Retirement Fund	Infinite	12/31/2015	47.0	12/31/2017	2026	7/2019
Dallas Police & Fire Pension System - Combined Plan	44.0	1/1/2017	45.0	1/1/2018	2027	9/2019
Greenville Firemen's Relief & Retirement Fund – REVISED FSRP	55.0	12/31/2016	38.0 ³	12/31/2016	2026	1/2020
Orange Firemen's Relief & Retirement Fund – REVISED FSRP	69.3	1/1/2017	47.0	1/1/2017	2026	2/2020
Marshall Firemen's Relief & Retirement Fund	56.4	12/31/2016	46.5 ⁴	12/31/2016	2026	3/2020
Fort Worth Employees' Retirement Fund	Infinite	12/31/2016	44.0 ⁵	12/31/2018	2026	5/2021

¹ Based on the most recent valuation or FSRP.

² The year in which a plan must reach an amortization period of 40 years or less.

³ The amortization period reflects estimates of actions that occurred after the valuation date. Plans will be removed from the list if a subsequent valuation reflects an amortization period of 40 years or less.

⁴ The amortization period does not consider already approved assumption changes that will likely result in the plan being out of compliance with the FSRP when the plan completes its December 31, 2018 actuarial valuation.

⁵ The post-FSRP actuarial valuation amortization period of 44 years has not yet been confirmed by the PRB staff actuary.

Previously Completed FSRP Requirement Systems

The following table is a list of all the plans that have created a Funding Soundness Restoration Plan which has lowered their amortization period below 40 years in a subsequent actuarial valuation.

Systems that Have Submitted Post-FSRP Actuarial Valuations Showing Amortization Period Below 40 Years					
Plan Name	FSRP Trigger		Completed Progress ¹		Goal Year ²
	Am Period	Date	Am Period	Date	
Galveston Employees' Retirement Plan for Police	55.1	1/1/2014	35.3	1/1/2018	2026
Galveston Firefighter's Relief & Retirement Fund – REVISED FSRP	Infinite	12/31/2016	26.8	12/31/2017	2026
Lufkin Firemen's Relief & Retirement Fund	40.6	12/31/2014	33.1	12/31/2016	2026
Sweetwater Firemen's Relief & Retirement Fund	58.8	12/31/2014	27.5	12/31/2016	2026

¹ Based on the valuation in which the plan completed its FSRP requirement.

² The year in which a plan was expected to reach an amortization period of 40 years or less.