

POLICE AND FIRE DEPARTMENT RETIREMENT PLAN
City of San José, California

RESOLUTION No. 4820

RESOLUTION OF THE BOARD OF ADMINISTRATION OF THE POLICE AND FIRE
DEPARTMENT RETIREMENT PLAN ADOPTING ASSUMPTIONS FOR DETERMINING
ACTUARIAL EQUIVALENCE FOR CALENDAR YEAR 2021

BE IT RESOLVED BY THE BOARD OF ADMINISTRATION OF THE POLICE AND FIRE
DEPARTMENT RETIREMENT PLAN:

WHEREAS, Section 3.36.1466 of the San José Municipal Code provides that the Board of Administration of the Police and Fire Department Retirement Plan (“Board”) annually shall adopt actuarial assumptions necessary to establish the “actuarial equivalence” of optional settlements upon the advice of the Board’s actuary, based upon the most recent actuarial valuation as of June 30th of the preceding calendar year; and

WHEREAS, the Board also must adopt actuarial assumptions to establish the actuarial equivalence of other alternative benefit options and for other purposes; and

WHEREAS, the Board wishes to adopt actuarial assumptions necessary to establish the actuarial equivalence for all purposes effective for calendar year 2021, commencing January 1, 2021; and

WHEREAS, on or about December 3, 2020 the Board adopted the actuarial assumptions found in the Annual Actuarial Valuation Report for fiscal year ended June 30, 2020 prepared by its actuary, Cheiron; and

WHEREAS, on February 4, 2021, the Board adopted additional actuarial assumptions necessary to establish actuarial equivalence, as recommended by the actuary, as further described below, and adopts this Resolution consistent with its action.

NOW, THEREFORE:

The Board hereby adopts the following actuarial assumptions necessary to establish actuarial equivalence for all purposes for calendar year 2021, commencing January 1, 2021:

1. Interest rate = 6.625% per annum
2. COLAs based on Plan provisions (Tier 1 = 3.0%, Tier 2 = 2.0%)
3. Blended male and female mortality tables from the annual valuation report, with 95% male and 5% female, for members, and with 5% male and 95% female, for beneficiaries
4. Actuarial equivalent factors based on ages attained in 2021

ADOPTED this 4th day of February, 2021, by the following vote.

AYES :

NOES :

ABSTAIN :

ABSENT :

DREW LANZA, CHAIR
Board of Administration

ATTEST:

ROBERTO L. PENA, CEO