

OHIO POLICE & FIRE PENSION FUND

GASB STATEMENTS NO. 74 & 75 REPORT



**PREPARED FOR DECEMBER 31, 2024
FINANCIAL REPORTING**

May 21, 2025

Mr. Scott K. Miller
Chief Financial Officer
Ohio Police & Fire Pension Fund
140 East Town Street
Columbus, Ohio 43215-5164

Dear Scott:

Presented in this report is the information to assist the Ohio Police & Fire Pension Fund (OP&F) in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statements No. 74 and 75 for the December 31, 2024 Measurement Date. The calculations in this report have been made on a basis that is consistent with our understanding of these accounting standards (GASB 74 and GASB 75). Please note that the discount rate used to determine the Total OPEB Liability (TOL) changed from 4.07 percent to 4.69 percent at the current Measurement Date.

The information is based on an actuarial valuation performed as of January 1, 2024 by Cavanaugh Macdonald (CavMac), with actuarial liabilities rolled forward to December 31, 2024 and plan asset information provided by OP&F for its fiscal year ended December 31, 2024. The actuarial liability valuation is used for accounting purposes and is different than the actuarial valuation presented to the Board of Trustees in October 2024, which was used for funding purposes.

The valuation was based upon data, furnished by OP&F staff, concerning active, inactive and retired members along with pertinent financial information. This information was reviewed for completeness and internal consistency, but was not audited by us. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete our results may be different and our calculations may need to be revised. Please see the January 1, 2024 actuarial valuation report, dated October 2024, for additional details on the funding requirements for OP&F including actuarial assumptions and methods and the funding policy.

To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The calculations are based on the current provisions of OP&F, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of OP&F. In

addition, the calculations were completed and, in our opinion, meet the requirements of GASB 74 and GASB 75.

These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 74 and GASB 75 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

We, Larry Langer, ASA, and Wendy Ludbrook, FSA, are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate.

Respectfully submitted,

A stylized handwritten signature in blue ink, consisting of two large, overlapping loops.

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink, written in a cursive style.

Wendy Ludbrook, FSA, EA, FCA, MAAA
Consulting Actuary

A handwritten signature in blue ink, written in a cursive style.

Ryan Gundersen
Senior Consultant

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SECTION I – SUMMARY OF PRINCIPAL RESULTS

Ohio Police & Fire Pension Fund	
Valuation Date (VD):	January 1, 2024
Prior Measurement Date:	December 31, 2023
Measurement Date (MD):	December 31, 2024
Reporting Date:	December 31, 2025
Membership Data:	
Retirees and Beneficiaries	25,117
Inactive Members Eligible for Allowances	291
Active Employees	<u>30,291</u>
Total	55,699
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.50%
Municipal Bond Index Rate at Prior Measurement Date	3.38%
Municipal Bond Index Rate at Measurement Date	4.04%
Year in which Fiduciary Net Position is Projected to be Depleted	2040
Single Equivalent Interest Rate at Prior Measurement Date	4.07%
Single Equivalent Interest Rate at Measurement Date	4.69%
Net OPEB Liability:	
Total OPEB Liability (TOL)	\$1,405,044,846
Fiduciary Net Position (FNP)	<u>787,482,277</u>
Net OPEB Liability (NOL = TOL – FNP)	\$617,562,569
FNP as a percentage of TOL	56.05%
OPEB Expense:	\$18,646,085
Deferred Outflows of Resources:	\$226,455,107
Deferred Inflows of Resources:	\$606,446,875



SECTION II – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 74 (GASB 74), *“Financial Reporting for Postemployment Benefit Plans other than Pension Plans”* and Statement No. 75 (GASB 75), *“Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions”*, in June 2015. The effective date for reporting under GASB 74 for the Ohio Police & Fire Pension Fund (OP&F) was the fiscal year ending December 31, 2017. The effective date for reporting under GASB 75 for OP&F is the fiscal year ending December 31, 2018. The allocation of the collective amounts by employer is performed by OP&F and is not part of this report.

This report, prepared as of December 31, 2024 (the Measurement Date), presents information to assist OP&F in meeting the requirements of GASB 74 and GASB 75 and is different than the actuarial valuation presented to the Board of Trustees in October 2024, which was used for funding purposes. The information is based on an actuarial valuation performed by CavMac as of January 1, 2024 (the Valuation Date) with actuarial liabilities rolled forward to December 31, 2024 and plan asset information provided by OP&F for its fiscal year ended December 31, 2024.

GASB 74 and GASB 75 replace GASB 43 and GASB 45, respectively, and represents a significant departure from the requirements of the prior statement. GASB 43 and GASB 45 were issued as “funding friendly” statements that required postemployment benefit plans other than pension plans (OPEB) to report items consistent with the results of the plan’s actuarial valuations, as long as those valuations met certain parameters. GASB 74 and GASB 75 basically separate accounting from funding by creating disclosure and reporting requirements that may or may not be consistent with the basis used for funding the OP&F.

A major change in GASB 74 and GASB 75 is the requirement to determine the Total OPEB Liability (TOL) utilizing the Entry Age Normal actuarial cost method. The Net OPEB Liability (NOL) is then set equal to the TOL minus the Plan’s Fiduciary Net Position (FNP) (basically the fair (market) value of assets). The benefit provisions recognized in the calculation of the TOL are summarized in Appendix B.

Among the items needed for the liability calculation is the discount rate, or Single Equivalent Interest Rate (SEIR), as described by GASB 74 and GASB 75. To determine the SEIR, the FNP must be projected, using GASB 74 and GASB 75 guidelines, into the future for as long as there are anticipated benefits payable under the plan’s provisions applicable to the members and beneficiaries of the Plan on the Measurement Date. If the FNP is not projected to be depleted at any point in the future, the long-term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.



SECTION II – INTRODUCTION

If, however, the FNP is projected to be depleted at a future measurement date, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate. The rate used, if necessary, for this purpose is the Bond Buyers General Obligation 20-year Municipal Bond Index Rate (formerly published monthly by the Board of Governors of the Federal Reserve System). The bond rate is 4.04% as of the measurement date of December 31, 2024.

Our calculations indicate that the plan's FNP is projected to be depleted by fiscal year 2039 so the Municipal Bond Index Rate is used in the determination of the SEIR for the December 31, 2023 and the December 31, 2024 TOL. The SEIR is 4.69 percent at December 31, 2024 and 4.07 percent at December 31, 2023. The SEIR is comprised of the long-term expected rate of return of 7.50 percent and the Municipal Bond Index Rate of 3.38 percent as of December 31, 2023, and the long-term expected rate of return of 7.50 percent and the Municipal Bond Index Rate of 4.04 percent as of December 31, 2024. Please see Paragraph 35.b.(2) for more explanation of the development of the SEIR.

The FNP projections are based upon OP&F's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 74 and GASB 75. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of OP&F, or OP&F's ability to make benefit payments in future years.

The sections that follow provide the results of all the necessary calculations, presented in the order laid out in GASB 74 and GASB 75 for note disclosure and Required Supplementary Information (RSI).



SECTION III – NOTES TO FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 74 and GASB 75. Paragraph numbers are provided for ease of reference. Amounts are shown in aggregate. OP&F will determine the proportionate share of certain amounts for individual employers as required by GASB 75.

GASB 75 Paragraph 89: The information required is to be prepared by OP&F and/or the individual employer.

GASB 75 Paragraph 90: The information required is to be prepared by the individual employer.

GASB 74 Paragraphs 34.a. (1)-(3) and GASB 75, Paragraphs 91.a.-d.: This information will be supplied by OP&F.

GASB 74 Paragraph 34.a. (4): The data required regarding the membership of OP&F were furnished by OP&F. The following table summarizes the membership of OP&F as of December 31, 2023, the date of the valuation used to determine the December 31, 2024 Total OPEB Liability.

Membership

Number as of January 1, 2024	
Retired Members Or Their Beneficiaries Currently Receiving Benefits	25,117
Inactive Members Eligible for Allowances	291
Active Members	30,291
Total	55,699

GASB 74 Paragraphs 34.a. (5)-(6) and Paragraphs 34.b.-e.: This information will be supplied by OP&F.

GASB 74 Paragraph 35.a. (1)-(4): As stated earlier, the NOL is equal to the TOL minus the FNP. That result, as of December 31, 2024, is presented in the following table.

Net OPEB Liability

Fiscal Year Ending December 31, 2024		
Total OPEB Liability	\$	1,405,044,846
Fiduciary Net Position		787,482,277
Net OPEB Liability	\$	617,562,569
Ratio of Fiduciary Net Position to Total OPEB Liability		56.05%



SECTION III – NOTES TO FINANCIAL STATEMENTS

GASB 74 Paragraph 35.b. and GASB 75, Paragraph 92: This paragraph requires information to be disclosed regarding the actuarial assumptions and other inputs used to measure the TOL. The complete set of actuarial assumptions and other inputs utilized in developing the TOL are outlined in Appendix C. The TOL as of December 31, 2024 was determined based on an actuarial valuation prepared as of December 31, 2023, rolled forward one year to December 31, 2024, using the following actuarial assumptions and other inputs:

Price Inflation	2.75 percent
Salary increases, including price inflation	3.50 percent – 10.50 percent
Long-term Rate of Return, net of investment expense, including price inflation	7.50 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.38 percent
Measurement Date	4.04 percent
Year FNP is projected to be depleted	2039
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Prior Measurement Date	4.07 percent
Measurement Date	4.69 percent
Healthcare Cost Trend Rates	N/A
Healthy Mortality	Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.
Disabled Mortality	Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.
Contingent Annuitant Mortality	Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant



SECTION III – NOTES TO FINANCIAL STATEMENTS

Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The actuarial assumptions used in the valuation were adopted as of January 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. The next review of the actuarial assumptions is to be completed for adoption with the January 1, 2027 valuation.

GASB 75 Paragraph 93:

- (a): Benefit-related costs are all provided by OP&F.
- (b): The mortality assumptions above were developed during the most recent experience study.
- (c): The actuarial assumptions used in the valuation were adopted as of January 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. The next review of the actuarial assumptions is to be completed for adoption with the January 1, 2027 valuation.
- (d): The alternative measurement method was not used.
- (e): The disclosure of the sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate. The TOL is based on a medical benefit that is a flat dollar amount, therefore, it is unaffected by a healthcare cost trend rate. An increase or decrease in the trend rate would have no effect on the TOL.

GASB 74 Paragraphs 35.b.(1):

Sensitivity analysis: The disclosure of the sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate. The TOL is based on a medical benefit that is a flat dollar amount, therefore, it is unaffected by a healthcare cost trend rate. An increase or decrease in the trend rate would have no effect on the TOL.

GASB 74 Paragraph 35.b.(2) and GASB 75 Paragraph 94:

- (a) **Discount rate (SEIR):** The discount rate used to measure the TOL at December 31, 2024 was 4.69 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74 and GASB 75. On that basis, OP&F's FNP was projected to be depleted in the year 2039, and as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. The long-term assumed rate of return on



SECTION III – NOTES TO FINANCIAL STATEMENTS

investments of 7.50 percent was applied to periods before December 31, 2038 and the Municipal Bond Index Rate of 4.04 percent was applied to periods on and after December 31, 2038, resulting in a SEIR of 4.69 percent. The discount rate used to measure the TOL at the Prior Measurement Date was 4.07 percent.

- (b) Projected cash flows:** The projection of cash flows used to determine the discount rate assumed that plan contributions from members and OP&F will be made at the current contribution rates as set out in state statute:
- a. Employee contribution rate: N/A
 - b. Employer contribution rate: 0.50 percent of covered payroll
 - c. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members.

The FNP projections are based upon OP&F's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 74 and GASB 75. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing OP&F basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of OP&F, or OP&F's ability to make benefit payments in future years.

- (c) Long-term rate of return.** The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for OP&F about every five years. The current long-term expected rate of return was adopted by the Board of Directors in February 2022. The rate was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.
- (d) Municipal bond rate:** The SEIR (discount rate) determination uses the Municipal Bond Index Rate. The rate used is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate (formerly published monthly by the Board of Governors of the Federal Reserve System). The rate was 3.38 percent on the Prior Measurement Date and 4.04 percent on the current Measurement Date.
- (e) Periods of projected benefit payments:** Projected future benefit payments for all current plan members were projected through at least 2124.



SECTION III – NOTES TO FINANCIAL STATEMENTS

- (f) **Assumed asset allocation:** The target asset allocation and best estimates of geometric real rates of return for each major asset class as of the Measurement Date, as provided by OP&F's investment consultant, Wilshire, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return**
Domestic Equity	18.6%	3.8%
Non-U.S. Equity	12.4%	4.6%
Private Markets	10.0%	5.6%
Core Fixed Income*	25.0%	2.6%
High Yield Fixed Income	7.0%	4.3%
Private Credit	5.0%	6.7%
U.S. Inflation Linked Bonds*	15.0%	2.4%
Midstream Energy Infrastructure	5.0%	5.2%
Real Assets	8.0%	6.1%
Gold	5.0%	3.2%
Private Real Estate	12.0%	5.3%
Commodities	<u>2.0%</u>	2.5%
Total	125.0%	

*Levered 2x

**Geometric mean, net of expected inflation

GASB 74 Paragraph 35.b.(2)(g) and GASB 75 Paragraphs 94.g.:

Sensitivity analysis: This paragraph requires disclosure of the sensitivity of the NOL to changes in the discount rate. The following presents the NOL of OP&F, calculated using the discount rate of 4.69%, as well as OP&F's NOL calculated using a discount rate that is 1-percentage-point lower (3.69%) or 1-percentage-point higher (5.69%) than the current rate.

	1% Decrease (3.69%)	Current Discount Rate (4.69%)	1% Increase (5.69%)
Total OPEB Liability	\$1,554,286,763	\$1,405,044,846	\$1,278,613,372
Fiduciary Net Position	<u>\$787,482,277</u>	<u>\$787,482,277</u>	<u>\$787,482,277</u>
Net OPEB Liability	\$766,804,486	\$617,562,569	\$491,131,095



SECTION III – NOTES TO FINANCIAL STATEMENTS

GASB 74, Paragraph 35.c.: The TOL at December 31, 2024 is based upon an actuarial valuation prepared as of January 1, 2024. The valuation results were first used to determine the TOL at January 1, 2024 using the SEIR, then the liabilities were rolled forward one year to December 31, 2024 using standard actuarial techniques. The roll-forward begins with the TOL at January 1, 2024, adds the annual normal cost (also called Service Cost), subtracts the expected benefit payments for the plan year and then applies interest to December 31, 2024 using the discount rate as of the Measurement Date. December 31, 2024 is the actuarial valuation date upon which the TOL is based. The resulting TOL is shown in the table below:

Ohio Police & Fire Pension Fund			
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at December 31, 2023	\$1,517,537,904	\$787,407,072	\$730,130,832
Changes for the year:			
Service cost	40,032,647		40,032,647
Interest	61,531,919		61,531,919
Benefit changes	0		0
Difference between expected and actual experience	(32,167,667)		(32,167,667)
Changes in assumptions	(89,509,060)		(89,509,060)
Contributions - employer		15,316,094	(15,316,094)
Net investment income		77,562,549	(77,562,549)
Net benefit payments	(92,380,897)	(92,380,897)	0
Administrative expense		(422,541)	422,541
Other changes		0	0
Net changes	<u>(112,493,058)</u>	<u>75,205</u>	<u>(112,568,263)</u>
Balances at December 31, 2024	\$1,405,044,846	\$787,482,277	\$617,562,569

GASB 75, Paragraph 96:

(a)-(b): This information will be supplied by OP&F.

(c): The Measurement Date of the collective NOL is December 31, 2024. The TOL as of December 31, 2024 was determined based on the annual actuarial funding valuation report prepared as of January 1, 2024 using the SEIR, rolled forward one year using standard actuarial techniques.

(d): The actuarial assumptions were updated and adopted as of January 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. There was also



SECTION III – NOTES TO FINANCIAL STATEMENTS

a increase in the discount rate from 4.07 percent at the Prior Measurement Date to 4.69 percent at the current Measurement Date. These changes in the actuarial assumptions affect the measurement of the TOL since the Prior Measurement Date.

(e): There were no changes in the benefit terms that affected measurement of the TOL since the Prior Measurement Date.

(f): The information will be supplied by OP&F.

(g): Please see Section III for the development of the collective OE. OP&F will provide the individual employer amounts.

(h): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OE they are labeled Deferred Outflows of Resources. If the amounts serve to reduce OE they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive OP&F members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed five-year period.

The following table provides a summary of the amounts of the collective Deferred Outflows of Resources and collective Deferred Inflows of Resources as of the Measurement Date (December 31, 2024). Per GASB 75, reporting of the differences between projected and actual earnings should be on a net basis, with only one Deferred Outflow or Inflow. This information is provided in the following table

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Differences between expected and actual experience	\$27,733,963	\$126,006,109	(\$98,272,146)
Changes of assumptions	130,173,480	437,043,389	(306,869,909)
Differences between projected and actual earnings	<u>68,547,664</u>	<u>43,397,377</u>	<u>25,150,287</u>
Total	\$226,455,107	\$606,446,875	(\$379,991,768)



SECTION III – NOTES TO FINANCIAL STATEMENTS

The following tables show the Deferred Outflows of Resources and the Deferred Inflows of Resources separately to provide additional detail.

Ohio Police & Fire Pension Fund - Deferred Outflows of Resources				
	December 31, 2023	Additions	Recognition	December 31, 2024
Differences between expected and actual experience				
FY 2017 Base	\$ 0	\$ 0	\$ 0	\$ 0
FY 2018 Base	0	0	0	0
FY 2019 Base	0	0	0	0
FY 2020 Base	0	0	0	0
FY 2021 Base	35,110,017	0	7,376,054	27,733,963
FY 2022 Base	0	0	0	0
FY 2023 Base	0	0	0	0
FY 2024 Base	0	0	0	0
Total	\$ 35,110,017	\$ 0	\$ 7,376,054	\$ 27,733,963
Changes of assumptions				
FY 2017 Base	\$ 67,895,999	\$ 0	\$ 67,895,999	\$ 0
FY 2018 Base	0	0	0	0
FY 2019 Base	72,347,281	0	28,483,182	43,864,099
FY 2020 Base	65,691,218	0	17,151,754	48,539,464
FY 2021 Base	18,518,783	0	3,890,501	14,628,282
FY 2022 Base	0	0	0	0
FY 2023 Base	26,791,735	0	3,650,100	23,141,635
FY 2024 Base	0	0	0	0
Total	\$ 251,245,016	\$ 0	\$ 121,071,536	\$ 130,173,480
Differences between projected and actual earnings				
FY 2017 Base	\$ 0	\$ 0	\$ 0	\$ 0
FY 2018 Base	0	0	0	0
FY 2019 Base	0	0	0	0
FY 2020 Base	0	0	0	0
FY 2021 Base	0	0	0	0
FY 2022 Base	102,821,495	0	34,273,831	68,547,664
FY 2023 Base	0	0	0	0
FY 2024 Base	0	0	0	0
Total	\$ 102,821,495	\$ 0	\$ 34,273,831	\$ 68,547,664
Total	\$ 389,176,528	\$ 0	\$ 162,721,421	\$ 226,455,107



SECTION III – NOTES TO FINANCIAL STATEMENTS

Ohio Police & Fire Pension Fund - Deferred Inflows of Resources				
	December 31, 2023	Additions	Recognition	December 31, 2024
Differences between expected and actual experience				
FY 2017 Base	\$ 3,509,361	\$ 0	\$ 3,509,361	\$ 0
FY 2018 Base	0	0	0	0
FY 2019 Base	33,402,512	0	13,150,594	20,251,918
FY 2020 Base	48,150,584	0	12,571,954	35,578,630
FY 2021 Base	0	0	0	0
FY 2022 Base	21,812,260	0	3,611,301	18,200,959
FY 2023 Base	27,302,117	0	3,719,634	23,582,483
FY 2024 Base	0	32,167,667	3,775,548	28,392,119
Total	\$ 134,176,834	\$ 32,167,667	\$ 40,338,392	\$ 126,006,109
Changes of assumptions				
FY 2017 Base	\$ 0	\$ 0	\$ 0	\$ 0
FY 2018 Base	44,098,788	0	41,602,632	2,496,156
FY 2019 Base	0	0	0	0
FY 2020 Base	0	0	0	0
FY 2021 Base	0	0	0	0
FY 2022 Base	426,088,361	0	70,544,430	355,543,931
FY 2023 Base	0	0	0	0
FY 2024 Base	0	89,509,060	10,505,758	79,003,302
Total	\$ 470,187,149	\$ 89,509,060	\$ 122,652,820	\$ 437,043,389
Differences between projected and actual earnings				
FY 2017 Base	\$ 0	\$ 0	\$ 0	\$ 0
FY 2018 Base	0	0	0	0
FY 2019 Base	0	0	0	0
FY 2020 Base	1,567,571	0	1,567,571	0
FY 2021 Base	36,778,794	0	18,389,397	18,389,397
FY 2022 Base	0	0	0	0
FY 2023 Base	10,559,694	0	2,639,924	7,919,770
FY 2024 Base	0	21,360,263	4,272,053	17,088,210
Total	\$ 48,906,059	\$ 21,360,263	\$ 26,868,945	\$ 43,397,377
Total	\$ 653,270,042	\$ 143,036,990	\$ 189,860,157	\$ 606,446,875

OP&F will provide the individual employer's balances of the collective Deferred Outflows of Resources and collective Deferred Inflows of Resources.

- (i): Collective amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OE in future years as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
2025	\$94,825,422	\$145,676,749	(\$50,851,327)
2026	81,723,159	118,741,926	(37,018,767)
2027	29,152,611	109,503,368	(80,350,757)
2028	12,212,680	96,428,722	(84,216,042)
2029	3,650,100	92,156,671	(88,506,571)
Thereafter	4,891,135	43,939,439	(39,048,304)

OP&F will provide the individual employers' balances of the Deferred Outflows of Resources and Deferred Inflows of Resources.

- (j): This will be provided by OP&F.



SECTION IV – OPEB EXPENSE

The collective OPEB Expense (OE) consists of a number of different items. GASB 75 refers to the first item as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the TOL at 4.07%, the Discount Rate in effect as of the Prior Measurement Date. The next three items refer to any changes that occurred in the TOL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in assumptions or other inputs.

Benefit changes, which are reflected immediately, will increase OE, if there is a benefit improvement for existing Plan members, or decrease OE, if there is a benefit reduction. For the year ended December 31, 2024, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TOL due to actual versus expected experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire OP&F membership at the beginning of the measurement period. The average expected remaining service life of active members is the average number of years the active members are expected to remain in covered employment. At the beginning of the measurement period, this number is 15.67. The average expected remaining service life of the inactive members is zero. Therefore, the recognition period is the weighted average of these two amounts, or 8.52 years.

The last item under changes in TPL is changes in actuarial assumptions or other inputs. Since the Prior Measurement Date, the SEIR increased from 4.07 percent to 4.69 percent and all other actuarial assumptions were adopted as of January 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. Please see Appendix C for a description of the assumptions and changes. The change in actuarial assumptions is recognized over the average expected remaining service life of the entire System membership, using the same approach that applied to experience gains and losses as described earlier.

Member contributions for the year and projected earnings on the FNP at the long-term expected rate of return are subtracted from the amount determined thus far. One-fifth of current-period difference between projected and actual earnings on the FNP is recognized in the OE.

The current year portions of previously determined experience, assumption changes, and earnings amounts, recognized as Deferred Outflows of Resources and Deferred Inflows of Resources (see Section I) are included next. Deferred Outflows of Resources are added to the OE while Deferred Inflows of Resources are subtracted from the OE. Finally, administrative expense and other miscellaneous items are included.



SECTION IV – OPEB EXPENSE

The calculation of the collective OE for the year ended December 31, 2023 is shown in the following table.

Ohio Police & Fire Pension Fund	2024
Service Cost	\$40,032,647
Interest on the Total OPEB Liability	61,531,919
Current-period Benefit Changes	0
Expensed portion of current-period difference between expected and actual experience in the total OPEB liability	(3,775,548)
Expensed portion of current-period changes of assumptions	(10,505,758)
Member Contributions	0
Projected Earnings on Plan Investments	(56,202,286)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(4,272,053)
Administrative Expense	422,541
Other	0
Recognition of beginning deferred outflows of resources as OPEB expense	162,721,421
Recognition of beginning deferred inflows of resources as OPEB expense	(171,306,798)
Total OPEB Expense	\$18,646,085



SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

There are several tables of Required Supplementary Information (RSI) that need to be included in the County's financial statements:

GASB 74, Paragraphs 36.a.-c.: The required tables of schedules are provided in Appendix A.

GASB 74, Paragraphs 36.d. and 37: The money-weighted rates of return is shown below:

Year Ending December 31:	Annual Money-Weighted Rate of Return
2024	10.75%
2023	9.65%
2022	-10.70%
2021	19.23%
2020	9.21%
2019	17.28%
2018	-2.85%
2017	13.87%
2016	10.05%
2015	0.19%

GASB 74, Paragraph 38 and GASB 75, Paragraph 98: The following information should be noted regarding the RSI, particularly for the *Schedule of Employer Contributions*:

Changes of benefit and funding terms: No changes to the plan provisions were made by OP&F and reflected in the valuation performed as of January 1, 2024, January 1, 2023, January 1, 2022, January 1, 2021, January 1, 2020 and January 1, 2019.

The following changes to the plan provisions were made by OP&F and reflected in the valuation performed as of January 1, 2018:

- In the spring of 2017 the OP&F Board of trustees made the decision to restructure the retiree health care plan, ending the group-sponsored model. A new model was implemented on January 1, 2019. It provides eligible retirees with a fixed monthly stipend earmarked to pay for health care. This information is summarized in Appendix B.

Changes to assumptions or other inputs: All actuarial assumptions were adopted as of January 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. The next review of the actuarial assumptions is to be completed for adoption with the January 1, 2027 valuation. There was also an increase in the discount rate from 4.07 percent at the Prior Measurement Date to 4.69 percent at the current Measurement Date. These changes in the actuarial assumptions affect the measurement of the TOL since the Prior Measurement Date. Please see Appendix C for a description of the assumptions and changes.



APPENDIX A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

Exhibit A

GASB 74 Paragraph 36.a.-b. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$40,032,647	\$38,270,177	\$64,434,939	\$63,158,602	\$56,072,373	\$43,042,991	\$269,913,915	\$230,753,065
Interest	61,531,919	63,942,266	59,164,352	58,048,633	66,955,703	79,675,059	220,193,164	220,886,126
Benefit changes*	0	0	0	0	0	0	(4,945,194,650)	0
Difference between expected and actual experience	(32,167,667)	(31,021,751)	(29,034,862)	57,238,179	(98,438,400)	(99,155,482)	0	(32,754,010)
Changes of assumptions	(89,509,060)	30,441,835	(567,177,221)	30,190,286	134,298,234	214,763,191	(293,714,580)	633,696,010
Benefit payments	<u>(92,380,897)</u>	<u>(85,706,913)</u>	<u>(88,563,565)</u>	<u>(86,947,802)</u>	<u>(84,249,181)</u>	<u>(76,303,134)</u>	<u>(144,706,189)</u>	<u>(103,062,283)</u>
Net change in Total OPEB Liability	(\$112,493,058)	\$15,925,614	(\$561,176,357)	\$121,687,898	\$74,638,729	\$162,022,625	(\$4,893,508,340)	\$949,518,908
Total OPEB Liability - beginning	\$1,517,537,904	\$1,501,612,290	\$2,062,788,647	\$1,941,100,749	\$1,866,462,020	\$1,704,439,395	\$6,597,947,735	\$5,648,428,827
Total OPEB Liability - ending (a)	\$1,405,044,846	\$1,517,537,904	\$1,501,612,290	\$2,062,788,647	\$1,941,100,749	\$1,866,462,020	\$1,704,439,395	\$6,597,947,735
Plan Fiduciary Net Position								
Contributions – employer	\$15,316,094	\$14,118,199	\$13,381,154	\$12,758,046	\$12,166,558	\$11,973,144	\$11,337,852	\$18,894,974
Net investment income	77,562,549	69,771,317	(101,643,506)	159,553,600	75,292,783	149,595,598	(4,191,504)	115,417,360
Net Benefit payments	(92,380,897)	(85,706,913)	(88,563,565)	(86,947,802)	(84,249,181)	(76,303,134)	(144,706,189)	(103,062,283)
Administrative expense	(422,541)	(416,709)	(235,504)	(245,662)	(314,740)	(362,607)	(741,952)	(815,977)
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in Plan Fiduciary Net Position	\$75,205	(\$2,234,106)	(\$177,061,421)	\$85,118,182	\$2,895,420	\$84,903,001	(\$138,301,793)	\$30,434,074
Plan Fiduciary Net Position – beginning	\$787,407,072	\$789,641,178	\$966,702,599	\$881,584,417	\$878,688,997	\$793,785,996	\$932,087,789	\$901,653,715
Plan Fiduciary Net Position - ending (b)	<u>787,482,277</u>	<u>787,407,072</u>	<u>789,641,178</u>	<u>966,702,599</u>	<u>881,584,417</u>	<u>878,688,997</u>	<u>793,785,996</u>	<u>932,087,789</u>
Net OPEB Liability - ending (a) - (b)	\$617,562,569	\$730,130,832	\$711,971,112	\$1,096,086,048	\$1,059,516,332	\$987,773,023	\$910,653,399	\$5,665,859,946

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability	\$1,405,044,846	\$1,517,537,904	\$1,501,612,290	\$2,062,788,647	\$1,941,100,749	\$1,866,462,020	\$1,704,439,395	\$6,597,947,735
Plan Fiduciary Net Position	<u>787,482,277</u>	<u>787,407,072</u>	<u>789,641,178</u>	<u>966,702,599</u>	<u>881,584,417</u>	<u>878,688,997</u>	<u>793,785,996</u>	<u>932,087,789</u>
Net OPEB Liability	\$617,562,569	\$730,130,832	\$711,971,112	\$1,096,086,048	\$1,059,516,332	\$987,773,023	\$910,653,399	\$5,665,859,946
Ratio of Plan Fiduciary Net Position to Total OPEB Liability	56.05%	51.89%	52.59%	46.86%	45.42%	47.08%	46.57%	14.13%
Covered payroll	\$2,989,971,628	\$2,823,066,800	\$2,654,830,178	\$2,526,179,170	\$2,475,784,283	\$2,373,429,623	\$2,302,436,015	\$2,180,910,604
Net OPEB Liability as a percentage of covered payroll	20.65%	25.86%	26.82%	43.39%	42.80%	41.62%	39.55%	259.79%

Beginning January 1, 2019, OP&F transitioned from a self-insured health care plan to an Exchange based plan that provides fixed monthly stipends earmarked for health care



APPENDIX B – SUMMARY OF MAIN BENEFIT PROVISIONS

Following is a summary of the major Fund provisions used in the actuarial valuation of the Fund. For purposes of this report, only the post-retirement medical benefit is valued for liabilities. The full benefit provisions are included because they are relevant for assumptions and funding provisions.

Eligibility for Coverage

All new retirees are eligible to receive the stipend as long as he or she is not eligible for coverage through another employer or retirement system. Members who were hired prior to July 1, 2013 are eligible to receive a pension at age 48 with 25 years of service or 62 with 15 years of service. Members who were hired after July 1, 2013 are eligible to receive a pension at age 52 with 25 years of service or age 62 with 15 years of service. In addition, a member is eligible to enroll in the plan if they are receiving a disability pension or they are the survivor of a member. A member may enroll a spouse, dependent children, generally until age 26. Only benefit recipients are eligible for reimbursement of Medicare Part B reimbursement.

Retirees must submit an enrollment form to OP&F and become enrolled in a new plan within 60-days of their loss of employer health care coverage. If the retiree is enrolled prior to the 15th of the month, the plan effective date will be the 1st day of the following month.

Medicare Part B Premium Reimbursement

For service and disability retirements, as well as survivors, Ohio Police & Fire reimburses the standard Medicare Part B premium (\$107.00 per month for 2024) provided the retiree is not eligible for reimbursement from any other sources.

2024 Monthly Health Care Plan Monthly Stipend Levels

In the spring of 2017 the OP&F Board of trustees made the decision to restructure the retiree health care plan, ending the group-sponsored model. A new model was implemented on Jan. 1, 2019 providing eligible retirees with a fixed monthly stipend earmarked to pay for health care. The below table summarizes the stipends as of January 1, 2024.

	Medicare Status		Monthly Medical/Rx Stipend	Monthly Medicare Part B	Total OP&F Support for Health Care
	Retiree	Spouse			
Retiree Only	Medicare	Non-Med	\$143	\$107	\$250
	Non-Med	Non-Med	\$685	\$0	\$685
Retiree + Spouse	Medicare	Medicare	\$239	\$107	\$346
	Medicare	Non-Med	\$525	\$107	\$632
	Non-Med	Medicare	\$788	\$0	\$788
	Non-Med	Non-Med	\$1,074	\$0	\$1,074
Retiree + Dependent(s)	Medicare	Non-Med	\$203	\$107	\$310
	Non-Med	Non-Med	\$865	\$0	\$865
Retiree + Spouse + Dependent(s)	Medicare	Either	\$525	\$107	\$632
	Non-Med	Either	\$1,074	\$0	\$1,074
Surviving Spouse	Medicare		\$143	\$107	\$250
	Non-Med		\$685	\$0	\$685



APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

Assumptions

The actuarial assumptions were adopted as of January 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. The next review of the actuarial assumptions is to be completed for adoption with the January 1, 2027 valuation.

Investment Return (Discount Rate)

Long-term rate of return on Plan Assets – 7.50 percent per annum, compounded annually.

GASB 74/75 – 4.69 percent per annum, compounded annually (using 12/31/2024 Municipal Bond Index rate of 4.04 percent.)

Salary Increase Rates

Assumed annual salary increases are as follows:

Years of Service	Salary Increase Rate
Less than 1	10.50%
1	9.00%
2	8.00%
3	6.00%
4	4.50%
5 or more	3.75%

Stipend Increase rate:

The stipend is not assumed to increase over the projection period.

Payroll Growth Rate

Payroll growth is based on open group projections with salary inflation assumption of 3.25 percent for initial salaries for new entrants.



APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

Withdrawal Rates

The following sample withdrawal rates are based on service (for causes other than death, disability, or retirement):

Years of Service	Firefighters	Police
0	5.00%	14.00%
5	1.00%	2.00%
10	0.75%	1.50%
15	0.50%	1.00%
20	0.20%	0.65%
24	0.20%	0.25%

Rates of Disability

The following are sample rates of disability and occurrence of disability by type:

Age	Firefighters	Police
20	0.0004%	0.0005%
25	0.0020%	0.0032%
30	0.0088%	0.0401%
35	0.0364%	0.0693%
40	0.0816%	0.1814%
45	0.1388%	0.2399%
50	0.5348%	0.6080%
55	0.8100%	0.5036%
60	1.2240%	0.9351%
64	2.8760%	1.3946%

Type of Disability	
On duty permanent and total	17%
On duty partial	58%
Off duty ordinary	25%



APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

Retirement Rates

The following rates apply to members who are not currently in DROP, but either have reached DROP eligibility or may become eligible for DROP in the future. Upon first eligibility for retirement, the rate is 15 percent for Firefighters and 20 percent for Police. After first eligibility the rates are as follows:

Years of Service	Firefighters	Police
25	15%	20%
26	5%	8%
27	5%	8%
28	5%	8%
29	5%	8%
30	5%	8%
31	5%	15%
32	5%	15%
33	5%	15%
34	5%	15%
35+	100%	100%

The following rates apply to members who will not reach retirement eligibility prior to age 62:

Firefighters

Age	Years of Service	
	15-23	24
62	25%	15%
63	25%	15%
64	25%	15%
65	100%	100%

Police

Age	Years of Service	
	15-23	24
62	25%	20%
63	25%	20%
64	25%	20%
65	100%	100%

Deferred Retirement Option Plan Elections

80 percent of members who do not retire when first eligible are assumed to elect DROP.



APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

DROP Retirement Rates

The following rates of retirement apply to members in DROP as of the valuation date:

Years of Service	Firefighters	Police
25	4.75%	7.25%
26	4.75%	6.00%
27	4.75%	6.25%
28	6.00%	6.00%
29	9.00%	8.50%
30	15.75%	16.75%
31	11.00%	16.25%
32	44.00%	50.00%
33+	100.00%	100.00%

Retirement Age for Inactive Vested Participants

Commencement at age 48 and 25 years of service from full-time hire date, whichever is later.

Service Retiree and Vested Former Member Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.



APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

Member Participation

For medical and prescription drug stipends, 60 percent of eligible non-Medicare members are assumed to elect coverage and 80 percent of Medicare eligible members are assumed to elect coverage. 50 percent of non-Medicare members who elect coverage are assumed to elect coverage for their spouses and children, and 60 percent of Medicare members who elect coverage are assumed to elect coverage for their spouses and children. 70 percent of future Medicare eligible members are assumed to elect the Medicare Part B benefit. Additionally, 25 percent of all non-Medicare members who waived coverage are assumed to elect plan coverage once they become Medicare eligible.

Age of Spouse

Wives are assumed to be three years younger than their husbands.

Dependent Children

Each member is assumed to have two children, born when the member was age 26. Dependency is assumed to cease when the child is 22.

Administrative Expense

For projection purposes, future administrative expenses are assumed to increase at the assumed inflation assumption of 2.75 percent.

Unknown Data for Members

Same as those exhibited by members with similar known characteristics.

Data

Census and Assets: The valuation was based on members of OP&F as of January 1, 2023 and does not take into account future members. All census and asset data was supplied by OP&F.

