

September 10, 2012

Board of Trustees
City of Fort Lauderdale
Police and Firefighters' Retirement System
c/o Lynn Wenguer, Administrator (LWenguer@fortlauderdale.gov)

Robert B. Dunckel
Assistant City Attorney
(BDunckel@fortlauderdale.gov)

Actuarial Impact Statement:
Actuarial Equivalence

The purpose of this letter is to report our expected Actuarial Impact for the following changes in Ordinance No. 12-2059, scheduled for second reading on September 18:

Actuarial Equivalence will be based on the RP-2000 Mortality Table, projected by Scale AA to 2012 (with a blended rate for members of 80% male and 20% female and a blended rate for joint annuitants of 20% male and 80% female) and interest of seven and one half percent (7 ½%) per annum. For disabled members the basis will be as summarized in the preceding sentence, using the RP-2000 Disabled Mortality Table.

Currently the Ordinance provides that the actuarial equivalence basis will be the GAM '83 Mortality Table (with a blended rate of 80% male and 20% female) and interest of eight percent (8%) per annum.

Actuarial equivalence is necessary when converting a benefit from the normal form to an optional form.

For actuarial valuation purposes, the form of benefit assumed for active members is the normal form. For inactive members, the form of benefit is the actual benefit elected at retirement or DROP entry.

Since the form of benefit included in the calculations is the normal form, a change in the actuarial equivalence basis has no immediate or quantifiable actuarial impact. As optional forms are elected in the future, there may be nominal experience gains or losses due to the difference between the actuarial equivalence basis and the funding basis at that time. (The current actuarial equivalence basis is also somewhat different from the funding basis.)

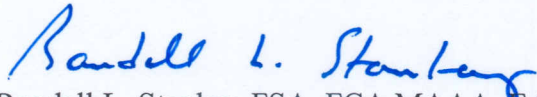
Board of Trustees
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Re: Actuarial Impact Statement: Actuarial Equivalence
September 10, 2012
Page Two

In summary, the expected Actuarial Impact of this change is de minimis.

If you have questions or comments, or if we may help further, please let us know.

Respectfully submitted,

NYHART, INC.



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Actuary



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