

January 8, 2013

The City Commission
City of Fort Lauderdale
100 North Andrews Avenue
Fort Lauderdale, Florida 33301

Resolution No. 12-1979: Section 610
Remarriage of Surviving Spouse

Dear Mayor and Commissioners:

The purpose of this letter is to respond to the City's request for our certification that the proposed elimination of the remarriage penalty would not result in the increase of the present value of the cost (as of the Ordinance amendment date) of a new or increased benefit due to elimination of the System's forfeiture provision when a surviving spouse remarries.

The certification requested is that the present value of the cost of the elimination of the remarriage penalty is consistent with Section 610(a)(i) of Resolution No. 12-1979.

Actuarial Basis

Actuarial cost calculations are based on probabilities, including mortality, turnover, retirement incidence, disability, compensation increases, and investment return. For each assumption, deviations of actual experience from expected experience emerge as experience gains or losses. If there is no assumption in use for a particular type of event, any occurrence of that event which impacts benefit payments will result in an actuarial gain or loss.

Our actuarial assumption basis does not include remarriage probabilities, which is consistent with our experience and professional actuarial standards. This means that the System's liabilities and costs are not discounted for any benefit forfeitures as a result of the remarriage of any surviving spouse(s).

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Actuarial Certification

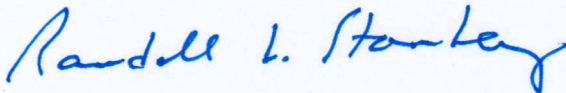
The Resolution covenants that the City will not increase any benefit or provide any new benefit which is in addition to the benefit provided as of October 1, 2012 unless the actuarial present value of the cost is fully funded at the time such increase or new benefit is approved.

Our Actuarial Impact Statement of this date certifies that this change could result in a de minimus elimination of any potential experience gains.

Therefore, under the Resolution any such remarriage would not result in an increase in the present value of the cost of a new or increased benefit as of the effective date of the Ordinance amendment.

Respectfully submitted:

The Nyhart Company, Inc.



Randall L. Stanley, FSA, FCA, MAAA, EA
Actuary

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