



June 14, 2024

Mr. Robert Miracle
Deputy Town Manager
Town of Palm Beach
360 S. County Road
Palm Beach, Florida 33480

Re: Town of Palm Beach Retirement System – “No Actuarial Impact” Letter for Proposed Ordinance

Dear Bob:

We have reviewed the proposed Ordinance #024-2024 which will amend Chapter 82, Section 82-99(c) of the Town’s Code of Ordinances with regard to the Town of Palm Beach Retirement System (Plan).

This Ordinance will add the following sentence to Section 82-99(c), *Participation in the DROP*: “Effective July 9, 2024, bargaining unit firefighters may continue to participate in the DROP beyond 120 months following the date on which the member first reaches normal retirement age or date.”

This change will remove the limitation on DROP participation for bargaining unit firefighters who enter the DROP more than 2 years after initially becoming eligible for normal retirement, allowing them to participate in the DROP for up to the full 8-year maximum DROP participation period regardless of how much time has elapsed since they first became eligible for normal retirement.

Since the assumed rates of retirement were not revised in connection with the Ordinance that changed the maximum DROP participation period from 5 years to 8 years, we are also not recommending a change in the assumed rates of retirement in connection with this Ordinance. As such, it is our opinion that this proposed change will not have an immediate actuarial impact on the cost of the Plan and thus a formal Actuarial Impact Statement is not required. However, we recommend that you send a copy of this letter and the Ordinance to the Bureau of Local Retirement Systems.

Peter N. Strong is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

If there are any questions, please let us know.

Respectfully submitted,

A handwritten signature in black ink that reads "Peter N. Strong". The signature is written in a cursive, flowing style.

Peter N. Strong, FSA, EA, MAAA
Senior Consultant and Actuary

The above communication shall not be construed to provide tax advice, legal advice or investment advice.