



November 27, 2023

Department of Management Services
Office of the Secretary
4050 Esplanade Way
Tallahassee, FL 32399-0950

**Subject: Retirement Plan for the Employees of South Broward Hospital District –
Chapter 60T-1.0035 Additional Actuarial Disclosures for the Fiscal Year Ended
April 30, 2023**

Dear Secretary:

Attached are the following exhibits for the Retirement Plan for the Employees of South Broward Hospital District as required under Chapter 60T-1.0035 for the Additional Actuarial Disclosures required under Section 112.664(1), Florida Statutes (F.S.) for the fiscal year ended April 30, 2023 (FYE 2023):

- **Exhibit 1** – Annual Financial Statements (AFS) in compliance with the requirements in Sections 112.664(1)(a) and (b), F.S.
- **Exhibit 2** – Contribution requirements for the plan under: (1) May 1, 2022 valuation assumptions and methods; (2) 112.664(1)(a) assumptions; and (3) 112.664(1)(b) assumptions at the beginning of the year. Note that the Entry Age Normal cost method was used for (2) and (3), since it is used for GASB 67 and GASB 68 reporting.
- **Exhibit 3** – Illustration of years and number of months Market Value of Assets are adequate to pay expected retirement benefit payments on an accrued benefit basis under: (1) May 1, 2022 valuation assumptions; (2) Section 112.664(1)(a) assumptions and (3) Section 112.664(1)(b) assumptions.
- **Appendix A** - Data, Assumptions, Methods, Models and other information for the “Alternative Basis” reporting under Sections 112.664(1)(a) and 112.664(1)(b), F.S. Because the Alternative Basis measures were developed using certain assumptions prescribed in the Florida Statutes, the funded status measures shown should not be considered the actuary’s best estimate of the funded status of the plan.
 - The “Valuation Basis” results shown in the Exhibits 2 and 3 are based on the assumptions outlined in Appendix A of the May 1, 2022 funding valuation dated March 2023.

Please see Appendix B of May 1, 2022 funding valuation report dated March 2023 for a summary of the principal plan provisions used for this report.

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Data, Assumptions, Methods, Models and Plan Provisions

Except as outlined above, the results are based on the data, assumptions, methods, plan provisions and other information outlined in the attached Appendix A and the Appendix B referenced above. Therefore, such information, and the reliances and limitations of the May 1, 2022 valuation report and its use, should be considered part of this letter report. The alternative measures were developed using certain assumptions prescribed in the Florida Statutes, therefore the funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.

Certification Statement

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.



Denise Miller, E.A.

23-06274

November 27, 2023

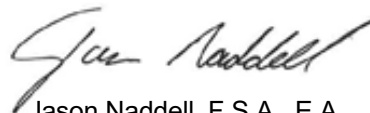
The undersigned consultants with actuarial credentials meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinions contained herein. To the best of our knowledge, all plan participants on May 1, 2022, and all plan provisions have been reflected in the valuation. In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the Internal Revenue Code, Chapter 112 of the Florida Statutes and GASB No. 67, as applicable. There is no relationship between Memorial Healthcare System and Willis Towers Watson US LLC that impacts our objectivity.

Please review these results and let us know if you have any questions.

Sincerely,



Denise Miller, E.A.
Director, Retirement



Jason Naddell, F.S.A., E.A.
Senior Director, Retirement

Attachments: Exhibits 1-3
Appendix A
Confirmation of filing submitted on FRS Online

cc: D. Scott Crutcher
Irfan Mirza
Christina Mullins
Veda Rampat
Debbie Vaidya
Lindsay Welding

Exhibit 1
Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(3), F.A.C.

	Alternative Basis	
	Section 112.664(1)(a), F.S.	Section 112.664(1)(b), F.S.
Mortality Basis =	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018
Discount Rate - beginning =	6.60%	4.60%
Discount Rate - ending =	6.60%	4.60%
Measurement Period =	5/1/2022 - 4/30/2023	5/1/2022 - 4/30/2023
Total pension liability		
Service cost	\$ 12,606,052	\$ 20,634,594
Interest	63,316,328	57,026,702
Benefit changes	-	-
Difference between expected and actual experience	35,140,586	50,053,116
Changes in assumptions	8,161,336	10,546,888
Benefits payments, including refunds of member contributions	(39,209,523)	(39,209,523)
Net change in total pension liability	\$ 80,014,779	\$ 99,051,777
Total pension liability - beginning	\$ 943,802,472	\$ 1,209,262,547
Total pension liability - ending	\$ 1,023,817,251	\$ 1,308,314,324
Plan fiduciary net position		
Contributions - Employer	\$ 39,893,706	\$ 39,893,706
Contributions - State	-	-
Contributions - Member	-	-
Net investment income	32,548,047	32,548,047
Benefits payments, including refunds of member contributions	(39,209,523)	(39,209,523)
Administrative expense	(104,811)	(104,811)
Other	-	-
Net change in plan fiduciary net position	\$ 33,127,419	\$ 33,127,419
Plan fiduciary net position - beginning	\$ 855,992,769	\$ 855,992,769
Plan fiduciary net position - ending	\$ 889,120,188	\$ 889,120,188
Net pension liability/(asset) - ending	\$ 134,697,063	\$ 419,194,136
Net pension position as % of liability	86.8%	68.0%
Covered employee payroll	\$ 308,228,851	\$ 308,228,851
Net pension liability as % of covered payroll	43.7%	136.0%

The Alternative Basis funded status measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A of this report. Because this alternative measure was developed using certain assumptions prescribed in the statutes, the alternative funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.

Exhibit 2
Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(4) & (5), FAC

	Valuation Basis	Alternative Basis	
	Section 112.664(1)(c), F.S.	Section 112.664(1)(a), F.S.	Section 112.664(1)(b), F.S.
Discount Rate	6.60%	6.60%	4.60%
Mortality Basis	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018
Cost Method	Projected Unit Credit	Entry Age Normal	Entry Age Normal
Recommended plan contributions in annual dollar value [Chapter 60T-1.0035(5), FAC]	\$36,277,899	\$41,703,413	\$90,897,403
Recommended plan contributions as a percentage of valuation payroll [Chapter 60T-1.0035(5), FAC]	11.77%	13.53%	29.49%

The Valuation Basis measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A of the May 1, 2022 funding valuation report dated March 2023. The Alternative Basis measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in the Appendix A that is included with this report. Because this alternative measure was developed using certain assumptions prescribed in the statutes, the alternative funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.



Exhibit 3

**Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(4) & (5), FAC**

Valuation Date	Section 112.664(1)(c), F.S.				Section 112.664(1)(a), F.S.				Section 112.664(1)(b), F.S.			
	Valuation Basis				Alternative Basis				Alternative Basis			
	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 6.60%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 6.60%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 4.60%			
	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years
4/30/2023	889,120,188	44,341,060	57,218,677	1	889,120,188	44,341,060	57,218,677	1	889,120,188	44,341,060	39,879,684	1
4/30/2024	901,997,805	48,195,476	57,941,404	2	901,997,805	48,195,476	57,941,404	2	884,658,812	48,195,476	39,585,809	2
4/30/2025	911,743,733	51,898,396	58,462,439	3	911,743,733	51,898,396	58,462,439	3	876,049,145	51,898,396	39,104,598	3
4/30/2026	918,307,776	55,288,369	58,783,797	4	918,307,776	55,288,369	58,783,797	4	863,255,347	55,288,369	38,438,113	4
4/30/2027	921,803,203	58,335,533	58,913,939	5	921,803,203	58,335,533	58,913,939	5	846,405,090	58,335,533	37,592,917	5
4/30/2028	922,381,610	61,005,827	58,863,994	6	922,381,610	61,005,827	58,863,994	6	825,662,475	61,005,827	36,577,340	6
4/30/2029	920,239,777	63,418,032	58,643,030	7	920,239,777	63,418,032	58,643,030	7	801,233,988	63,418,032	35,398,149	7
4/30/2030	915,464,775	65,564,245	58,257,055	8	915,464,775	65,564,245	58,257,055	8	773,214,105	65,564,245	34,059,871	8
4/30/2031	908,157,584	67,233,876	57,719,683	9	908,157,584	67,233,876	57,719,683	9	741,709,730	67,233,876	32,572,268	9
4/30/2032	898,643,392	68,537,745	57,048,718	10	898,643,392	68,537,745	57,048,718	10	707,048,123	68,537,745	30,947,846	10
4/30/2033	887,154,365	69,527,396	56,257,784	11	887,154,365	69,527,396	56,257,784	11	669,458,224	69,527,396	29,195,948	11
4/30/2034	873,884,753	70,371,183	55,354,145	12	873,884,753	70,371,183	55,354,145	12	629,126,776	70,371,183	27,321,294	12
4/30/2035	858,867,715	70,937,067	54,344,346	13	858,867,715	70,937,067	54,344,346	13	586,076,887	70,937,067	25,327,984	13
4/30/2036	842,274,994	71,092,817	53,244,087	14	842,274,994	71,092,817	53,244,087	14	540,467,804	71,092,817	23,226,384	14
4/30/2037	824,426,263	70,809,633	52,075,415	15	824,426,263	70,809,633	52,075,415	15	492,601,370	70,809,633	21,031,041	15
4/30/2038	805,692,045	70,164,936	50,860,232	16	805,692,045	70,164,936	50,860,232	16	442,822,778	70,164,936	18,756,054	16
4/30/2039	786,387,341	69,279,870	49,615,329	17	786,387,341	69,279,870	49,615,329	17	391,413,896	69,279,870	16,411,602	17
4/30/2040	766,722,801	68,104,098	48,356,270	18	766,722,801	68,104,098	48,356,270	18	338,545,629	68,104,098	14,006,705	18
4/30/2041	746,974,972	66,630,180	47,101,552	19	746,974,972	66,630,180	47,101,552	19	284,448,235	66,630,180	11,552,125	19
4/30/2042	727,446,345	64,924,179	45,868,961	20	727,446,345	64,924,179	45,868,961	20	229,370,181	64,924,179	9,057,772	20
4/30/2043	708,391,126	63,051,830	44,673,104	21	708,391,126	63,051,830	44,673,104	21	173,503,773	63,051,830	6,530,981	21
4/30/2044	690,012,401	60,986,636	43,528,259	22	690,012,401	60,986,636	43,528,259	22	116,982,925	60,986,636	3,978,522	22
4/30/2045	672,554,023	58,655,984	42,452,918	23	672,554,023	58,655,984	42,452,918	23	59,974,810	58,655,984	1,409,754	23
4/30/2046	656,350,957	56,180,738	41,465,199	24	656,350,957	56,180,738	41,465,199	24	2,728,580	56,180,738	-	23
4/30/2047	641,635,418	53,593,943	40,579,337	25	641,635,418	53,593,943	40,579,337	25	-	53,593,943	-	23.1
4/30/2048	628,620,812	50,892,026	39,809,537	26	628,620,812	50,892,026	39,809,537	26	-	-	-	-
4/30/2049	617,538,323	48,105,066	39,170,062	27	617,538,323	48,105,066	39,170,062	27	-	-	-	-
4/30/2050	608,603,319	45,276,666	38,673,689	28	608,603,319	45,276,666	38,673,689	28	-	-	-	-
4/30/2051	602,000,342	42,404,485	38,332,675	29	602,000,342	42,404,485	38,332,675	29	-	-	-	-
4/30/2052	597,928,531	39,537,140	38,158,557	30	597,928,531	39,537,140	38,158,557	30	-	-	-	-
4/30/2053	596,549,948	36,704,896	38,161,035	31	596,549,948	36,704,896	38,161,035	31	-	-	-	-
4/30/2054	598,006,087	33,926,591	38,348,824	32	598,006,087	33,926,591	38,348,824	32	-	-	-	-
4/30/2055	602,428,319	31,231,664	38,729,624	33	602,428,319	31,231,664	38,729,624	33	-	-	-	-
4/30/2056	609,926,279	28,636,260	39,310,138	34	609,926,279	28,636,260	39,310,138	34	-	-	-	-
4/30/2057	620,600,157	26,153,582	40,096,542	35	620,600,157	26,153,582	40,096,542	35	-	-	-	-
4/30/2058	634,543,117	23,792,333	41,094,699	36	634,543,117	23,792,333	41,094,699	36	-	-	-	-
4/30/2059	651,845,483	21,560,789	42,310,296	37	651,845,483	21,560,789	42,310,296	37	-	-	-	-
4/30/2060	672,594,990	19,462,045	43,749,022	38	672,594,990	19,462,045	43,749,022	38	-	-	-	-
4/30/2061	696,881,968	17,498,693	45,416,753	39	696,881,968	17,498,693	45,416,753	39	-	-	-	-
4/30/2062	724,800,027	15,671,141	47,319,654	40	724,800,027	15,671,141	47,319,654	40	-	-	-	-
4/30/2063	756,448,540	13,978,260	49,464,321	41	756,448,540	13,978,260	49,464,321	41	-	-	-	-
4/30/2064	791,934,601	12,417,396	51,857,910	42	791,934,601	12,417,396	51,857,910	42	-	-	-	-



Exhibit 3

**Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(4) & (5), FAC**

Valuation Date	Section 112.664(1)(c), F.S.				Section 112.664(1)(a), F.S.				Section 112.664(1)(b), F.S.			
	Valuation Basis				Alternative Basis				Alternative Basis			
	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 6.60%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 6.60%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 4.60%			
	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years
4/30/2065	831,375,115	10,985,525	54,508,235	43	831,375,115	10,985,525	54,508,235	43	-	-	-	-
4/30/2066	874,897,825	9,678,210	57,423,876	44	874,897,825	9,678,210	57,423,876	44	-	-	-	-
4/30/2067	922,643,491	8,489,700	60,614,310	45	922,643,491	8,489,700	60,614,310	45	-	-	-	-
4/30/2068	974,768,101	7,413,990	64,090,033	46	974,768,101	7,413,990	64,090,033	46	-	-	-	-
4/30/2069	1,031,444,144	6,444,776	67,862,636	47	1,031,444,144	6,444,776	67,862,636	47	-	-	-	-
4/30/2070	1,092,862,004	5,575,368	71,944,905	48	1,092,862,004	5,575,368	71,944,905	48	-	-	-	-
4/30/2071	1,159,231,541	4,798,821	76,350,921	49	1,159,231,541	4,798,821	76,350,921	49	-	-	-	-
4/30/2072	1,230,783,642	4,108,803	81,096,130	50	1,230,783,642	4,108,803	81,096,130	50	-	-	-	-
4/30/2073	1,307,770,969	3,498,694	86,197,427	51	1,307,770,969	3,498,694	86,197,427	51	-	-	-	-
4/30/2074	1,390,469,701	2,961,980	91,673,255	52	1,390,469,701	2,961,980	91,673,255	52	-	-	-	-
4/30/2075	1,479,180,977	2,492,268	97,543,700	53	1,479,180,977	2,492,268	97,543,700	53	-	-	-	-
4/30/2076	1,574,232,409	2,083,435	103,830,586	54	1,574,232,409	2,083,435	103,830,586	54	-	-	-	-
4/30/2077	1,675,979,560	1,729,714	110,557,570	55	1,675,979,560	1,729,714	110,557,570	55	-	-	-	-
4/30/2078	1,784,807,416	1,425,593	117,750,245	56	1,784,807,416	1,425,593	117,750,245	56	-	-	-	-
4/30/2079	1,901,132,067	1,165,851	125,436,243	57	1,901,132,067	1,165,851	125,436,243	57	-	-	-	-
4/30/2080	2,025,402,459	945,619	133,645,357	58	2,025,402,459	945,619	133,645,357	58	-	-	-	-
4/30/2081	2,158,102,197	760,361	142,409,653	59	2,158,102,197	760,361	142,409,653	59	-	-	-	-
4/30/2082	2,299,751,489	605,867	151,763,605	60	2,299,751,489	605,867	151,763,605	60	-	-	-	-
4/30/2083	2,450,909,228	478,223	161,744,228	61	2,450,909,228	478,223	161,744,228	61	-	-	-	-
4/30/2084	2,612,175,232	373,823	172,391,229	62	2,612,175,232	373,823	172,391,229	62	-	-	-	-
4/30/2085	2,784,192,638	289,386	183,747,164	63	2,784,192,638	289,386	183,747,164	63	-	-	-	-
4/30/2086	2,967,650,416	221,902	195,857,605	64	2,967,650,416	221,902	195,857,605	64	-	-	-	-
4/30/2087	3,163,286,119	168,624	208,771,319	65	3,163,286,119	168,624	208,771,319	65	-	-	-	-
4/30/2088	3,371,888,814	127,078	222,540,468	66	3,371,888,814	127,078	222,540,468	66	-	-	-	-
4/30/2089	3,594,302,205	95,081	237,220,808	67	3,594,302,205	95,081	237,220,808	67	-	-	-	-
4/30/2090	3,831,427,932	70,734	252,871,909	68	3,831,427,932	70,734	252,871,909	68	-	-	-	-
4/30/2091	4,084,229,107	52,409	269,557,392	69	4,084,229,107	52,409	269,557,392	69	-	-	-	-
4/30/2092	4,353,734,089	38,742	287,345,171	70	4,353,734,089	38,742	287,345,171	70	-	-	-	-
4/30/2093	4,641,040,519	28,621	306,307,730	71	4,641,040,519	28,621	306,307,730	71	-	-	-	-
4/30/2094	4,947,319,628	21,164	326,522,397	72	4,947,319,628	21,164	326,522,397	72	-	-	-	-
4/30/2095	5,273,820,861	15,685	348,071,659	73	5,273,820,861	15,685	348,071,659	73	-	-	-	-
4/30/2096	5,621,876,835	11,660	371,043,486	74	5,621,876,835	11,660	371,043,486	74	-	-	-	-
4/30/2097	5,992,908,661	8,696	395,531,685	75	5,992,908,661	8,696	395,531,685	75	-	-	-	-
4/30/2098	6,388,431,650	6,502	421,636,274	76	6,388,431,650	6,502	421,636,274	76	-	-	-	-
4/30/2099	6,810,061,422	4,868	449,463,893	77	6,810,061,422	4,868	449,463,893	77	-	-	-	-
4/30/2100	7,259,520,447	3,644	479,128,229	78	7,259,520,447	3,644	479,128,229	78	-	-	-	-
4/30/2101	7,738,645,032	2,721	510,750,482	79	7,738,645,032	2,721	510,750,482	79	-	-	-	-
4/30/2102	8,249,392,793	-	544,459,924	80	8,249,392,793	-	544,459,924	80	-	-	-	-

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

The Valuation Basis measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A. The Alternative Basis funded status measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A as well. Because this alternative measure was developed using certain assumptions prescribed in the statutes, the alternative funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.



Appendix A: Statement of actuarial assumptions, methods and data sources

Plan Sponsor

South Broward Hospital District (SBHD)

Statement of Assumptions

The assumptions disclosed in this Appendix A are for the fiscal year ended April 30, 2023 additional actuarial disclosures required under Chapter 60T-1.0035 of the Florida Administrative Code in order to comply with Section 112.664(1)(a) and 112.664(1)(b) of the Florida Statutes.

Economic Assumptions

Discount rate and expected return on assets 6.60% for reporting under Section 112.664(1)(a), F.S. and 4.60% for reporting under Section 112.664(1)(b), F.S.

Compensation increases

Age	Percentage increase *
Less than 35	6.00%
35 – 39	5.25%
40 – 44	4.00%
45 – 49	3.50%
50 – 54	3.00%
55 – 59	2.50%
60 or older	2.25%

**All rates increased by 2% at May 1, 2023 only*

Administrative expenses \$162,000 (for Exhibit 2 only)

Other Economic Assumptions

Future Increases in maximum benefits and plan compensation limitations It was assumed that maximum benefits and plan compensation limitations under the Internal Revenue Code will increase 2.50% per year in the future. Plan compensation limitations only apply to participants with a date of participation of May 1, 1996 and later.

Cost of living increases or Consumer Price Index (CPI) It was assumed that the cost of living or CPI will increase 2.50% per year in the future.

Future Increases in Social Security Taxable Wage Base It was assumed that the Social Security Taxable Wage Base will increase 3.00% per year in the future.

Demographic Assumptions

Healthy mortality

Base Mortality Table [Male Table used for males; Female Table used for females]

1. Base table: Pub-2010
2. Base mortality table year: 2010
3. Table type: Below Median
4. Healthy or Disabled: Healthy
5. Table weighting: Headcount
6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants (based on Employees table)
7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality
8. Other: Males set back 1 year

Mortality Improvement Scale [Male Table used for males; Female Table used for females]

1. Base scale: MP-2018
2. Projection Type: "Generational"
3. Convergence period: N/A
4. Ultimate mortality improvement rate: N/A
5. Pattern during convergence period: N/A

Disabled mortality

Base Mortality Table [Male Table used for males; Female Table used for females]

1. Base table: Pub-2010
2. Base mortality table year: 2010
3. Table type: Non-Safety
4. Healthy or Disabled: Disabled
5. Table weighting: Headcount
6. Blending of annuitants and non-annuitants: N/A
7. Blending of retirees and contingent annuitants: N/A
8. Other: Males and females set forward 3 years

Mortality Improvement Scale: None

Retirement

Rates at which participants are assumed to retire by age are shown below:

Age	Rate of Retirement
52-54 *	2%
55-60	5%
61	6%
62-63	11%
64	14%
65	22%
66	30%
67	25%
68	20%
69	15%
70-74	30%
75 and older	100%

** Prior Plan participants only*

Disability rates

The representative rates at which participants are assumed to become disabled by age and gender are shown below:

Age	Males	Females
25	0.038%	0.047%
30	0.048%	0.080%
35	0.069%	0.136%
40	0.117%	0.211%
45	0.202%	0.323%
50	0.358%	0.533%
55	0.722%	0.952%
60	1.256%	1.159%

Termination (not due to disability or retirement) rates

Rates at which participants are assumed to terminate by age are shown below:

Age	Rate of Termination
Under 30	19%
30 - 34	15%
35 - 39	9%
40 - 44	7%
45 - 59	6%
60 - 64	9%
65 and older	0%

Marriage

85% of active participants are assumed to be married, with female spouses being three years younger than male spouses.

Additional Assumptions

Form of payment

- 50% of participants with a lump sum benefit value up to \$50,000 are assumed to elect an immediate lump sum and 50% are assumed to elect the normal form of payment (life annuity).
- 100% of participants with a lump sum benefit value greater than \$50,000 are assumed to elect the normal form of payment (life annuity).

Benefit commencement date

- Preretirement death benefit The later of the death of the active participant or the date the participant would have reached earliest retirement age
- Deferred vested benefit The later of the normal retirement date or termination of employment for those assumed to elect an annuity.
- Disability benefit Normal retirement date
- Retirement benefit Upon termination of employment

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant

Compensation for plan participants

Compensation assumed paid in the current year beginning on the valuation date is based on the rate of pay as of the valuation date supplied by the District's third party plan administrator, increased by a half year's assumed compensation increase.

Cash flow

Decrement timing The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.

Timing of benefit payments Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.

Funding Policy

MHS's funding policy is to contribute at least the minimum contribution requirement determined under Chapter 112 of the Florida Statutes. Contributions are required to be made no less frequently than on a quarterly basis.

Methods

Census date / Valuation date	May 1, 2022
Measurement date	<p>April 30, 2023</p> <p>The Service Cost and Total Pension Liability used for Interest Cost were measured as of May 1, 2022 based on participant data as of the census date and assumptions as of the prior Measurement Date.</p> <p>We are not aware of any significant changes in the plan demographics during the year. The Total Pension Liability used to determine the Net Pension Liability was projected to the end of the year, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.</p>
Asset method	The Fiduciary Net Position is equal to the fair market value of assets at the Measurement Date.
Cost Method	<p>The individual Entry Age Normal Cost Method is used in completing the actuarial valuation described in this report for Alternative Basis results shown in Exhibit 1. Under this method the normal cost is the level percentage of pay contribution that would have been required from age on the valuation date coincident with or next following the date the employee is hired in order to fund the employed participant's retirement, termination, and ancillary benefits if the current plan provisions regarding accrual of benefits had always been in effect.</p> <p>The actuarial accrued liability is the excess of the present value of future benefits over the present value of future normal costs for employed participants and is the present value of all benefits for other participants. The normal cost and actuarial accrued liability for the plan are the sums of the individually computed normal costs and actuarial accrued liabilities for all plan participants.</p>
Amortization method for Exhibit 2	Beginning May 1, 2012, the unfunded liability is amortized on a level dollar basis over the average future working lifetime of active participants (rounded to the nearest whole year). Average future working lifetime is 8 years as of May 1, 2022.

Benefits not Valued

WTW is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information Sources

The District's third party plan administrator, Transamerica, furnished participant data as of May 1, 2022. Information on assets, contributions, and plan provisions was supplied by the plan sponsor. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. In consultation with MHS, the following assumptions were made for missing or apparently inconsistent data elements:

- Normal retirement benefits were estimated for 94 terminated vested participants for whom a final benefit amount was not available.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate

The projection of cash flows used to determine the discount rate assumes that the District continues to fund the plan based on the actuarially determined contributions, calculated annually, and the fund earns a return equal to the long-term expected rate of return on pension plan investments. Using these assumptions, the pension plan’s fiduciary net position is projected to be sufficient to make projected benefit payments. Therefore, the discount rate is equal to the long-term expected rate of return on pension plan investments.

For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Expected return on plan assets

The long-term expected rate of return on pension plan investments was determined using the March 31, 2023 Memorial Healthcare System Asset Allocation Study dated May 31, 2023 and information provided via an email from MHS’s investment consultant dated May 17, 2023. The Study indicates a mean 10-year Average Annualized return using the Plan’s current “Option A” target asset allocation is 7.01% and the 50% Percentile of 10-year Average Annualized return is 7.1%. “Option A” is the approved policy allocation targets for the plan provided by Marquette Associates. With consideration given to the current market conditions driving the results of the Study the long-term expected rate of return on pension plan investments assumption of 6.60% was chosen by the District for the Measurement Date.

WTW’s determination that this assumption does not significantly conflict with what would be reasonable is informed by WTW’s April 2023 Expected Return Estimator model.

The target asset allocation as of the Measurement Date and best estimate of long-term nominal and real rates of return used in the Study for each major asset class were provided by the District’s investment consultants and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return ¹	Long-Term Expected Real Rate of Return ²
Broad Fixed Income	25.0%	4.6%	2.3%
High Yield	5.0%	8.5%	6.2%
Bank Loans	5.0%	8.6%	6.3%
Broad US Equity (All Cap Core)	10.0%	7.0%	4.7%
Defensive Equity	10.0%	6.2%	3.9%
Global Equity	40.0%	7.2%	4.9%
Global Low Volatility Equity	5.0%	6.8%	4.5%
Total	100.0%		

¹ Annual 10-year geometric returns, net of pension plan investment expenses.

² Annual 10-year geometric returns excluding inflation and net of pension plan investment expenses.

Rates of increase in compensation

Assumed compensation increases are based on a combination of assumed future (i) cost-of-living increases (CPI), (ii) productivity increases and (iii) promotional increases. CPI increases assumed are as described above. Productivity increases are consistent with the assumed real increases in NAW described above (i.e., increases in assumed NAW less increases in assumed CPI). Promotional increases were based on plan sponsor expectations and a 2020 study of increases received by plan participants for the five-year period May 1, 2014 to May 1, 2019. The new assumed rates were first used in the May 1, 2020 funding valuation.

For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Administrative expenses

Amount equal to prior year's administrative expenses (rounded). We believe that this approach to setting assumed future expenses does not significantly conflict with what would be reasonable because the annual change in amount of administrative expenses has historically been de minimis.

Assumptions Rationale - Significant Demographic Assumptions

Mortality

Healthy and disabled mortality assumptions used are based the assumptions mandated by the State of Florida for local governmental plans with valuation dates on or after January 1, 2016, which requires plans to use the mortality assumption in one of the two latest FRS valuations.

Retirement and Termination

Retirement and termination rates were based on an experience study conducted for the April 30, 2020 measurement date, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. The review of these assumptions was based on five years of experience for the period May 1, 2014 to April 30, 2019.

For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Disability

Disability rates were based on a published table for pension participants believed to have reasonably similar characteristics participating in pension plans with similar disability provisions.

For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Sources of Prescribed Methods

The methods used for State of Florida additional actuarial disclosures as described in this appendix, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs) and are required under Chapter 60T-1.0035 of the Florida Administrative Code in order to comply with Section 112.664(1)(a) and 112.664(1)(b) of the Florida Statutes.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	The salary increase assumption was adjusted to reflect the one-time 2.0% increase. The 2.0% additional increase in the salary increase assumption is from May 1, 2022 to May 1, 2023. This 2% adjustment is in addition to the assumed age-related salary increase. After 2023, pay increases are based on the assumed age-graded salary increase assumption without the additional 2.0%.
Change in methods since prior valuation	None
Change in estimation techniques since prior valuation	None

Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify

Quantify is the WTW centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.

Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Excel-based Model

An Excel-based model is used to calculate the results under the financial reporting requirements of Section 112.664(1), F.S. The calculations are based on various user specified inputs including liability results and asset values.

The model develops valuation results using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll-forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll-forward, including reflecting any changes in applicable accounting standards.

Expected Return Estimator

The Expected Return Estimator is used to help inform the choice of an expected return assumption (e.g., as one data point to consider) for returns on the assets of the trust for purposes of the interest rate for valuing the actuarial accrued liabilities and normal cost and developing the minimum required contributions shown in Exhibit 2.

The tool depends on the capital market assumptions chosen at the starting date of the simulation. These assumptions reflect currently prevailing capital market conditions, assumed future conditions (“normative conditions”), and the transition from the current conditions to the normative ones.

The assumed normative conditions incorporate a blend of historical capital market data and future expectations. The sources consulted in the determination of normative levels include practitioners in our global actuarial and investment consulting practices, plan sponsors, investment managers, economists, and academics.

The model includes 22 asset classes, and may not have an appropriate classification for every type of asset a plan may hold, or the allocation provided to us by the client may be oversimplified or inaccurate.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise