



# FSRP Updates



# FSRP Status Changes

- Completed FSRPs
  - Laredo Fire
  - Longview Fire
- Added to Systems at Risk of 30-Year FSRP Formulation Requirement
  - Austin Fire
  - Greenville Fire
  - Laredo Fire
  - Nacogdoches County Hospital District
- Removed from Systems with Amortization Periods between 30-40 Years (not yet at risk)
  - Cleburne Fire
  - Lubbock Fire

Orange Fire initially submitted an AV showing a funding period greater than 30 years using market value. After being reminded of the FSRP rules including the ability to use the **greater of** market value and smoothed assets to calculate the funding period, Orange Fire submitted a revised AV report showing funding period less than 30 years using smoothed assets.



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# FSRP Progress Updates

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- PRB sent letters August 1, 2023, reminding systems subject to FSRP to submit progress updates by September 1, 2023
  - **Atlanta Fire**
    - In December 2021, Atlanta City Council elected to increase city contribution rate by 2 percent each year over three years - from 13 percent in October 2021, to 19 percent in October 2024
    - Will likely need more actions to reach amortization period of 30 years
  - **Beaumont Fire**
    - Planning to meet with plan sponsor to discuss options
  - **Brownwood Fire**
    - Members increasing contributions by 4 percent
    - The actuary's recommendation was 4 percent total contribution increases between the city and members



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# FSRP Progress Updates

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- **Dallas Employees**

- Working group to discuss benefits to present to City Council in early 2024
- City council must vote to approve changes by February 16, 2024
- Election to obtain voter approval of changes in May 2024

- **Dallas Police & Fire**

- Working with independent actuary to develop solutions

- **Midland Fire**

- Changed final average pay to use consecutive months rather than highest months
- Excluded unscheduled overtime pay from pensionable earnings
- ADC reduced by 6.9 percent
- Will need more actions to reach amortization period of 30 years

- **Sweetwater Fire**

- Studying potential changes to contributions and benefits



# Systems Immediately Subject to 30-Year FSRP Formulation Requirement

These systems had amortization periods above the applicable threshold (40 years prior to September 1, 2021 and 30 years thereafter) for three consecutive annual actuarial valuations (AVs), or two consecutive non-annual AVs. An FSRP must now be developed under the new law, **targeting 30 years by Sept. 1, 2025.**

## Systems Immediately Subject to an FSRP Formulation Requirement

Retirement System	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of most recent AV	FSRP Due Date
Midland Firemen's Relief & Retirement Fund <sup>1</sup>	Infinite	12/31/2017	Infinite	12/31/2019	Infinite	12/31/2021	9/1/2025
Beaumont Firemen's Relief & Retirement Fund <sup>1</sup>	104.0	12/31/2016	Infinite	12/31/2018	Infinite	12/31/2020	9/1/2025
Dallas Employees' Retirement Fund <sup>1,3</sup>	51	12/31/2020	50	12/31/2021	51	12/31/2022	9/1/2025
Sweetwater Firemen's Relief & Retirement Fund <sup>2</sup>	63.3	12/31/2018	68.9	12/31/2020	Infinite	12/31/2022	9/1/2025
Atlanta Firemen's Relief & Retirement Fund	28.4	12/31/2016	Infinite	12/31/2018	Infinite	12/31/2020	9/1/2025
Dallas Police & Fire Pension System (Combined Plan)	55.0	1/1/2020	63.0	1/1/2021	68.0	1/1/2022	9/1/2025
Brownwood Firemen's Relief & Retirement Fund	38.6	12/31/2017	94.7	12/31/2019	52.8	12/31/2021	9/1/2025

<sup>1</sup> Previously submitted an FSRP or Revised FSRP under previous law.

<sup>2</sup> Previously completed an FSRP or Revised FSRP under previous law.

<sup>3</sup> Triggering valuation was 12/31/2019

Orange font indicates the triggering valuation.

# Systems at Risk of 30-Year FSRP Formulation Requirement

These at-risk systems' most recent actuarial valuation shows an amortization period that exceeds the applicable threshold but does not yet trigger the FSRP requirement.

## Systems at Risk of an FSRP - Not Yet Subject to FSRP Requirement

Retirement System	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of AV	Funded Ratio
Austin Employees Retirement System	32	12/31/2020	<b>33</b>	<b>12/31/2021</b>	<b>34</b>	<b>12/31/2022</b>	<b>64.1%</b>
Austin Fire Fighters Relief & Retirement Fund	23.3	12/31/2020	17.5	12/31/2021	<b>35.7</b>	<b>12/31/2022</b>	86.7%
Corsicana Firemen's Relief & Retirement Fund	28.9	12/31/2016	28.9	12/31/2018	<b>52.2</b>	<b>12/31/2020</b>	<b>54.7%</b>
Galveston Firemen's Relief & Retirement Fund	Completed FSRP prior to 12/31/22 AV				<b>30.9</b>	<b>12/31/2022</b>	67.2%
Greenville Firemen's Relief & Retirement Fund	40.7	12/31/2018	36.6	12/31/2020	<b>35.0</b>	<b>12/31/2022</b>	<b>41.0%</b>
Laredo Firefighters Retirement System	Completed FSRP prior to 9/30/22 AV				<b>31.1</b>	<b>9/30/2022</b>	<b>59.1%</b>
Nacogdoches County Hospital District	20	7/1/2020	<b>Infinite</b>	<b>7/1/2021</b>	<b>Infinite</b>	<b>7/1/2022</b>	85.7%

**Orange font** indicates the amortization period above the applicable threshold.

**Teal font** indicates funded ratio less than 65%



# Systems with Amortization Periods between 30-40 Years (not yet at risk)

These systems have not yet triggered the requirement to notify their sponsors that their amortization period is above the FSRP threshold of 30 years. This list is intended to keep the board apprised of systems that may receive a subsequent AV showing an amortization period above 30 years, thus becoming at-risk of triggering the FSRP requirement.

## Systems not yet at Risk of an FSRP - Not Subject to FSRP Requirement

Retirement System	Am Period	Date of AV	Am Period	Date of AV	Am Period	Date of AV	Funded Ratio
Big Spring Firemen's Relief & Retirement Fund	36.2	12/31/2017	38.3	1/1/2019	33.7	1/1/2021	54.7%
Lufkin Firemen's Relief & Retirement Fund <sup>1</sup>	33.1	12/31/2016	30.7	12/31/2018	31.9	12/31/2020	50.7%
Paris Firefighters' Relief & Retirement Fund	41.9	12/31/2016	32.1	12/31/2018	33.6	12/31/2020	28.8%

<sup>1</sup> Previously completed an FSRP or Revised FSRP under previous law. This system is not considered grandfathered with L-FSRPs.

**Teal font** indicates funded ratio less than 65%



# Progress Report on Previously Submitted FSRPs – Legacy FSRPs

The following systems formulated and submitted an FSRP before Sept. 1, 2021. The table below outlines their progress towards the FSRP requirement.

<b>Systems Still Working Towards Meeting the Target Amortization Period Requirement</b>						
<b>Retirement System</b>	<b>FSRP Trigger</b>		<b>Current Progress<sup>1</sup></b>		<b>Target Date<sup>2</sup></b>	<b>Next AV Expected</b>
	<b>Am Period</b>	<b>Date</b>	<b>Am Period</b>	<b>Date</b>		
<b>Plainview Firemen’s Relief &amp; Retirement Fund</b>	79.7	12/31/2019	33.0	12/31/2021	2031	2024
<b>Fort Worth Employees’ Retirement Fund</b>	72.5	12/31/2015	36.0	12/31/2022	2029	2023
<b>Wichita Falls Firemen's Relief &amp; Retirement Fund – Revised FSRP</b>	Infinite	1/1/2015	32.1	1/1/2022	2026	2024
<b>Marshall Firemen’s Relief &amp; Retirement Fund – Revised FSRP</b>	59.0	12/31/2018	41.0	12/31/2020	2028	2023

<sup>1</sup> Based on the most recent actuarial valuation or FSRP.

<sup>2</sup> The year in which a system must reach an amortization period target.



# Systems That Previously Completed FSRP Requirement

The following systems have submitted an FSRP or subsequent actuarial valuation that has lowered their amortization period below 30 years.

Systems that Have Submitted Post-FSRP Actuarial Valuations Showing Amortization Period at or Below 30 Years				
Retirement System	FSRP Trigger		Completed Progress <sup>1</sup>	
	Am Period	Date	Am Period	Date
Galveston Employees' Retirement Plan for Police	55.1	1/1/2014	27	1/1/2021
Galveston Firefighter's Relief & Retirement Fund	51.6	12/31/2021	30 <sup>2</sup>	12/31/2021
Irving Firemen's Relief & Retirement Fund - Revised FSRP	63.4	1/1/2014	27.3 <sup>3</sup>	12/31/2021
Laredo Firefighters Retirement System	56.8	9/30/2020	26 <sup>2</sup>	9/30/2020
Longview Firefighter's Relief & Retirement Fund	Infinite	12/31/2018	27.5 <sup>2</sup>	12/31/2021
Orange Firemen's Relief & Retirement Fund – Second Revised FSRP	Infinite	1/1/2019	20.7	1/1/2021
University Park Firemen's Relief & Retirement Fund – Revised FSRP	81.3	12/31/2012	26.8	12/31/2020

<sup>1</sup> Based on the valuation in which the system completed its FSRP requirement.

<sup>2</sup> Based on the additional analysis provided with the FSRP submission

<sup>3</sup> Based on the market value of assets

