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Mr. Justin Stack
Metro Employee Benefit Board
222 3rd Avenue North
Nashville, TN 37201

Re: Study and Formulating Committee
Area: Pension Benefits – Emergency Telecommunication Employees (911 Operators)

The purpose of this letter is to provide financial information related to benefit improvement proposals under consideration by the Study and Formulating Committee. The financial information contained in this letter pertains to changes to the plan benefits for certain employees within the Emergency Communications Group.

Expected liability and cost implications for the proposal are outlined below together with a discussion of the proposed change. Calculations are based upon census data and actuarial assumptions utilized in preparing the June 30, 2020 actuarial valuation for the Metro Open Plan (the “Plan”), for which an actuarial valuation is performed annually. Calculations implicitly assume that the proposed plan change is effective on July 1, 2020.

Overview of the Proposed Change

Under the current provisions of the plan, Emergency Telecommunication Officers (and related employees) are covered under the General Government portion of the Plan. Under the proposed plan change, the positions specified below would be covered under the Fire/Police portion of the Plan. The Fire/Police portion of the Plan provides greater benefits and are available at an earlier age compare with the General Government portion.

Positions Included-

- Emergency Telecommunication Officer Trainee
- Emergency Telecommunication Officer 1
- Emergency Telecommunication Officer 2
- Emergency Telecommunication Officer 3
- Emergency Telecommunication Officer 4
- Emergency Telecommunication Trainer
- Emergency Telecommunication Supervisor
- Emergency Telecommunication Manager

The proposed change would apply to currently active Division B participants who will retire in the future and would include all of their past service.

Actuarial Assumptions

The benefits under the Fire/Police portion of the Metro Open plan permit an unreduced normal retirement benefit once the member reaches 75 age/service points, but not earlier than age 53. This compares with an unreduced benefit at 85 age/service points, but not before age 60 for the General Government portion of the

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plan. For purposes of this cost analysis, we have assumed that the retirement ages for the impacted employees moving to the Fire/Police portion of the plan would be the same ages that we currently assume for all other members covered by the Fire/Police portion of the plan.

All other valuation assumptions with respect to rates of termination, disability and mortality for the impacted employees would be the same as the current Fire/Police population.

Cost Impact of the Proposed Change

We estimate this enhancement would increase the total plan liabilities (present value of benefits) by roughly \$11,200,000 and result in an increase in the total plan employer contribution of 0.172% of metro wide covered compensation.

Impact on other Proposed Changes

Note that the cost information contained in this letter assumes that the proposed change discussed in this letter is the only plan change implemented. If more than one plan change is implemented, the cost implications may be different than the sum of each respective change. Additional analysis should be prepared to determine the cumulative cost of multiple plan changes.

If you need further information, please let us know.

Sincerely,



S. Kevin Sullivan, F.S.A.