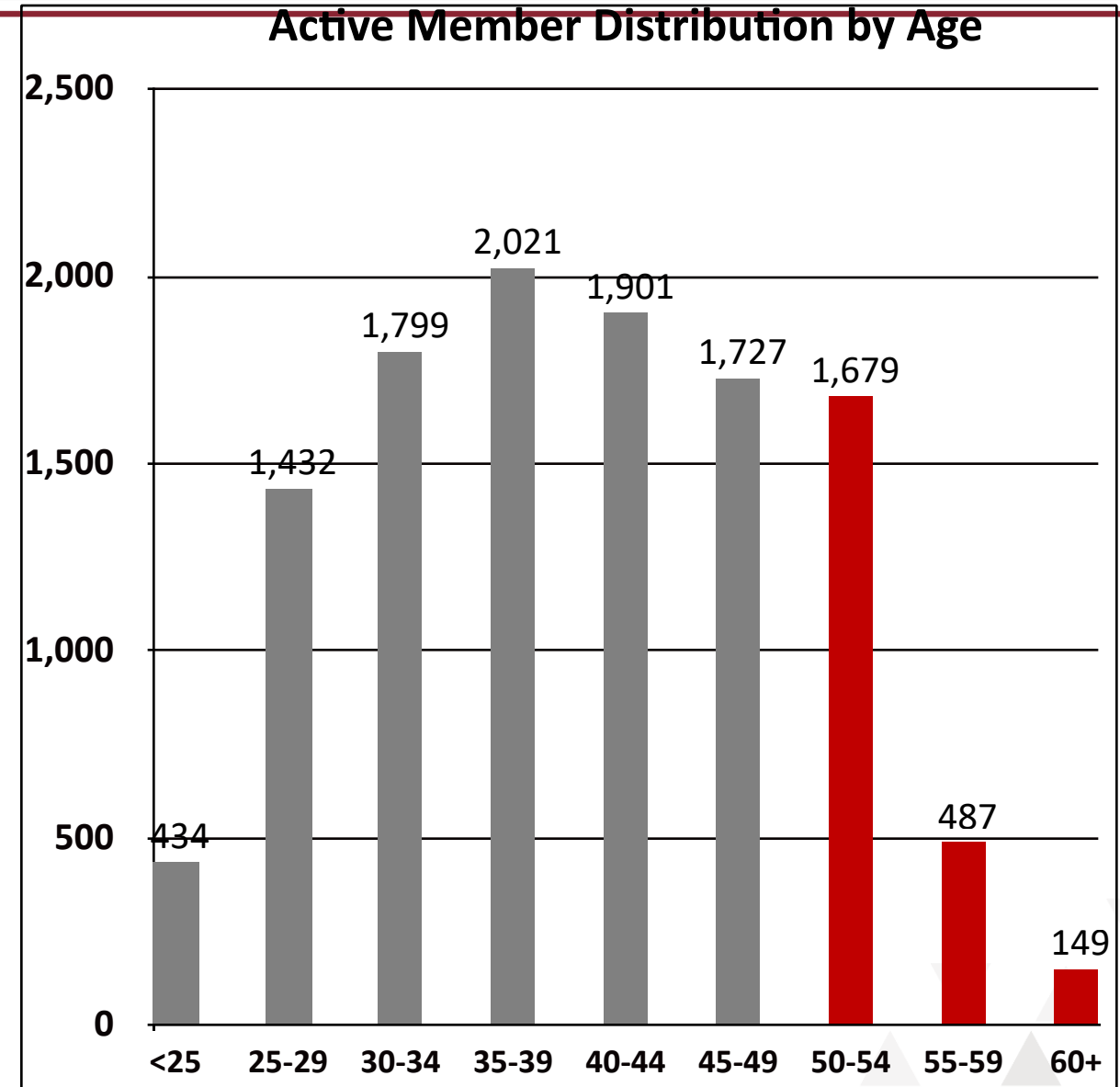
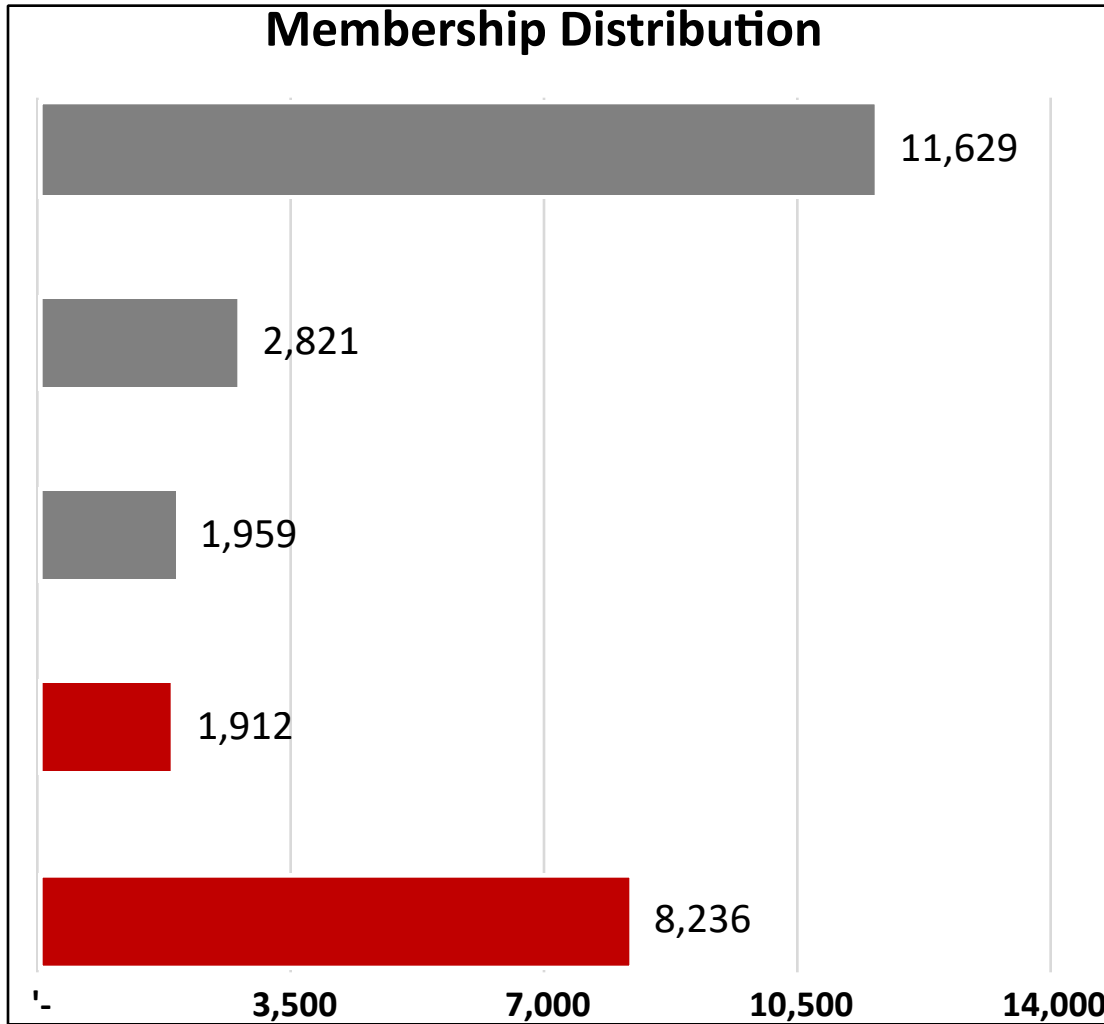


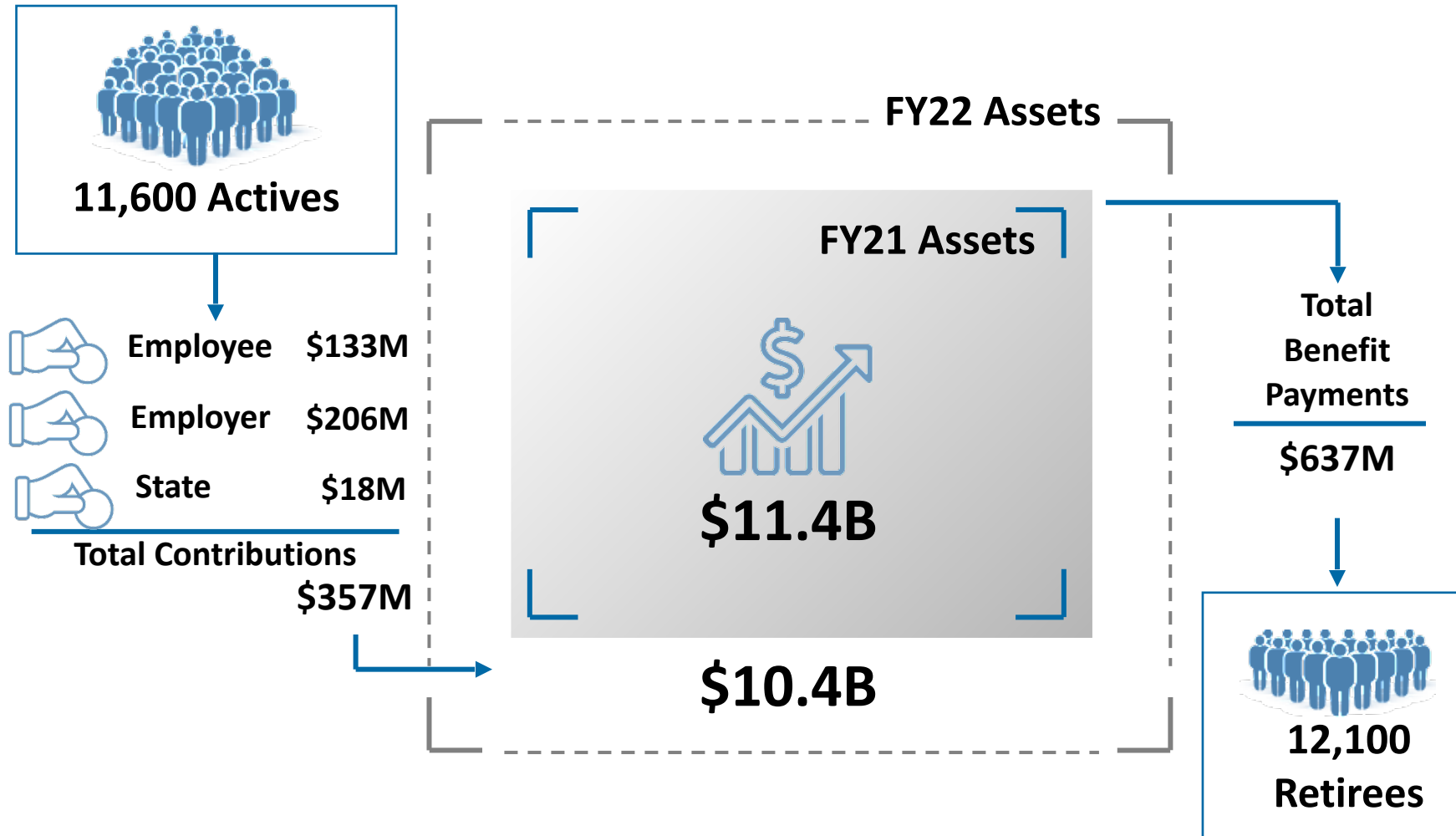
# **PERA Police & Fire Plan Update for the Suburban Law Enforcement Association**

**April 20, 2023**

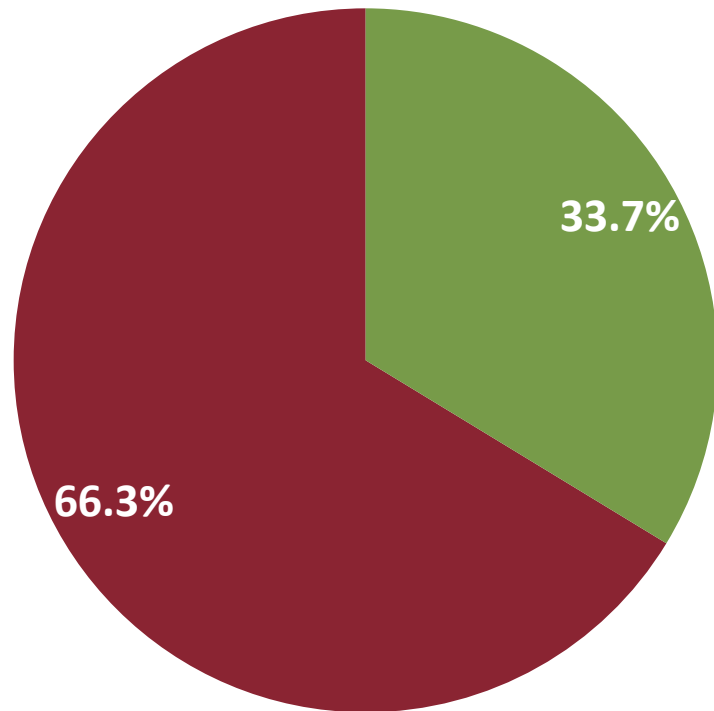
**Doug Anderson, Executive Director**



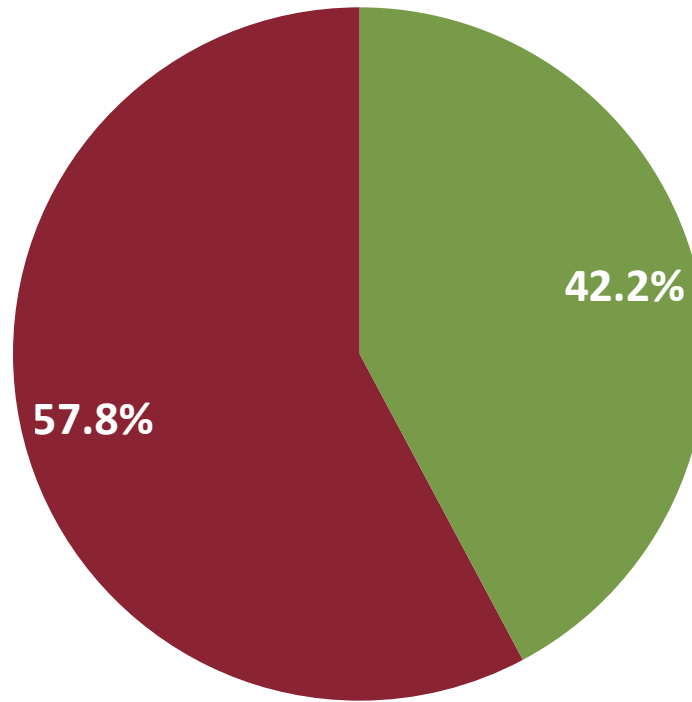




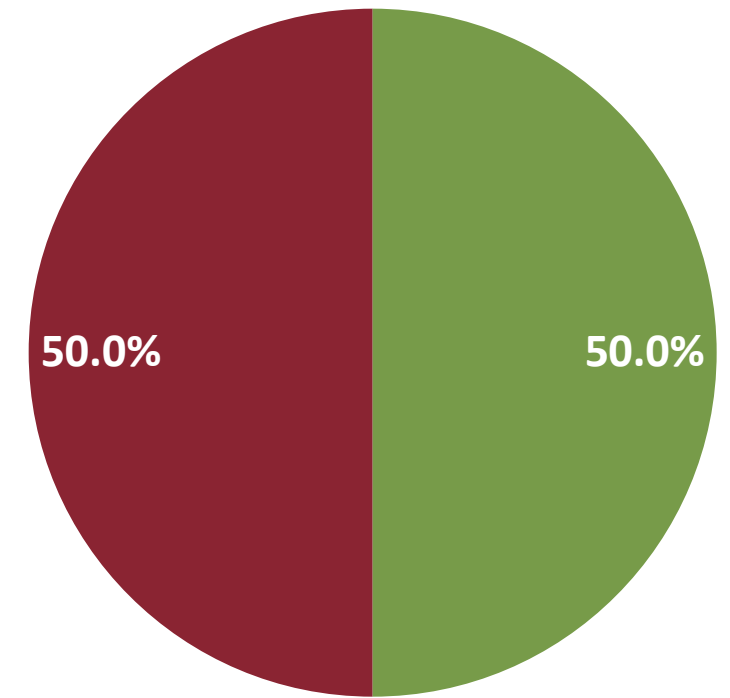
**Probability of Exceeding Various Return Assumptions**  
(based on average of opinions from 12 investment consulting firms)



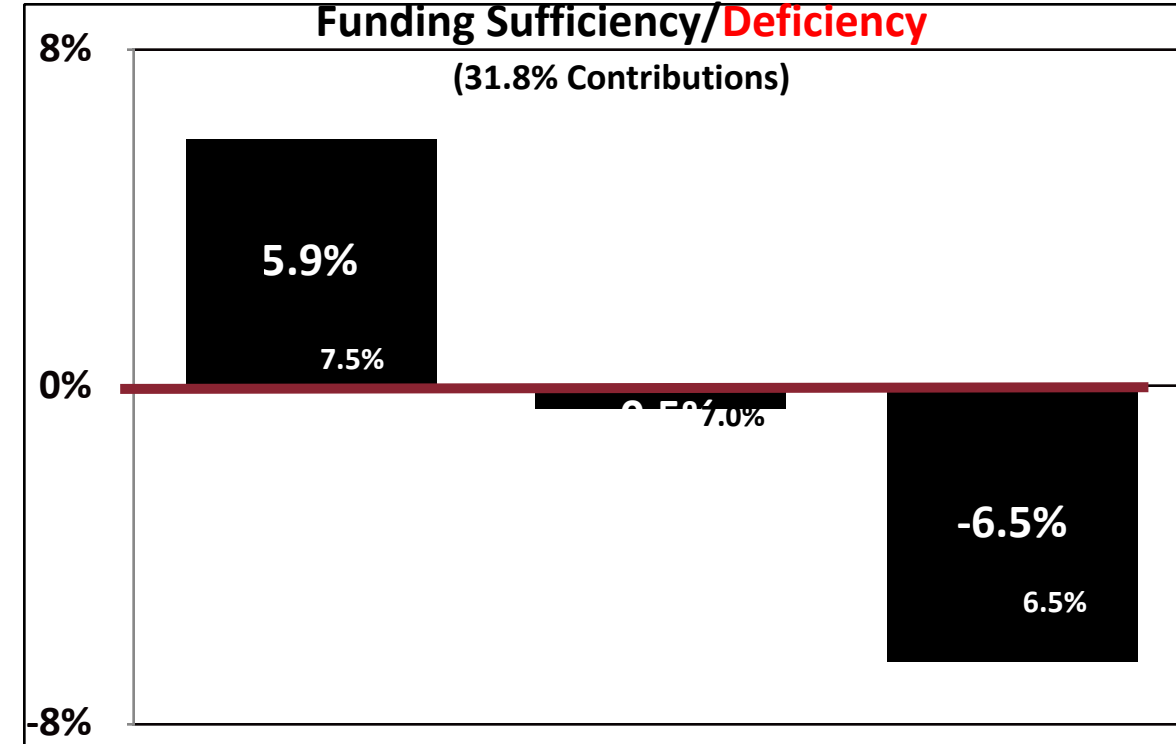
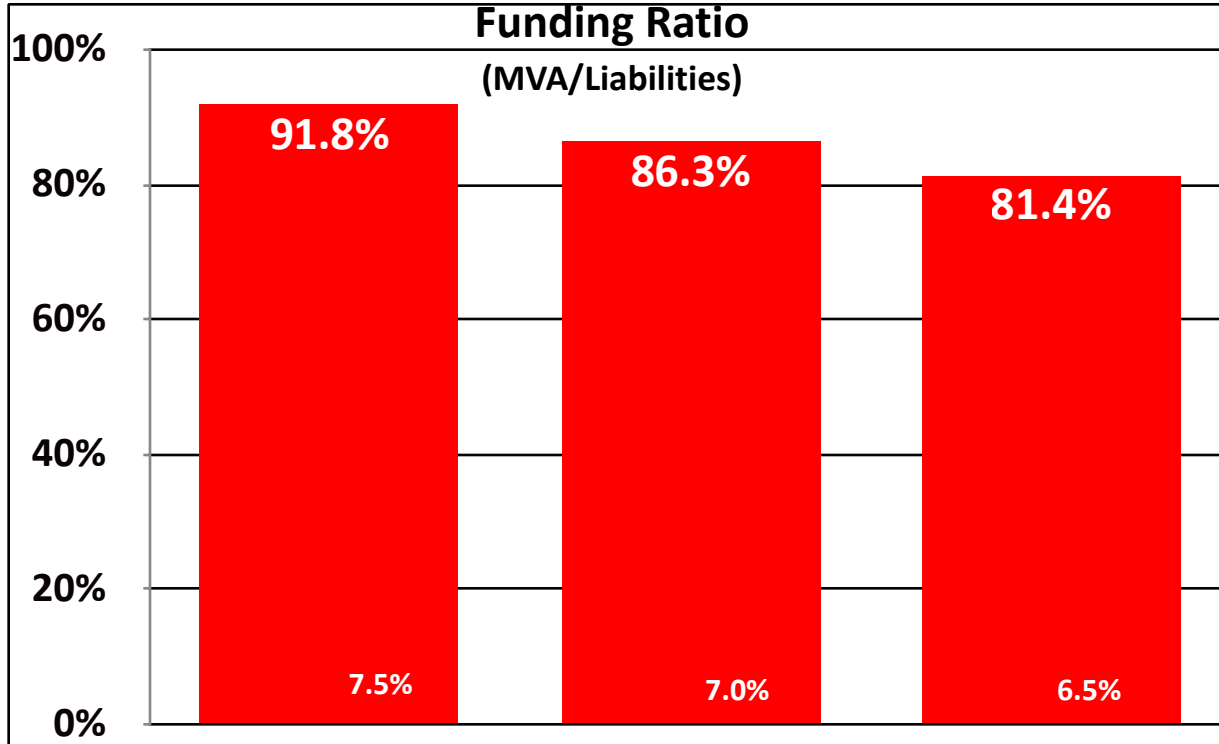
**33.7% probability**  
**10-year return exceeds 7.5%**



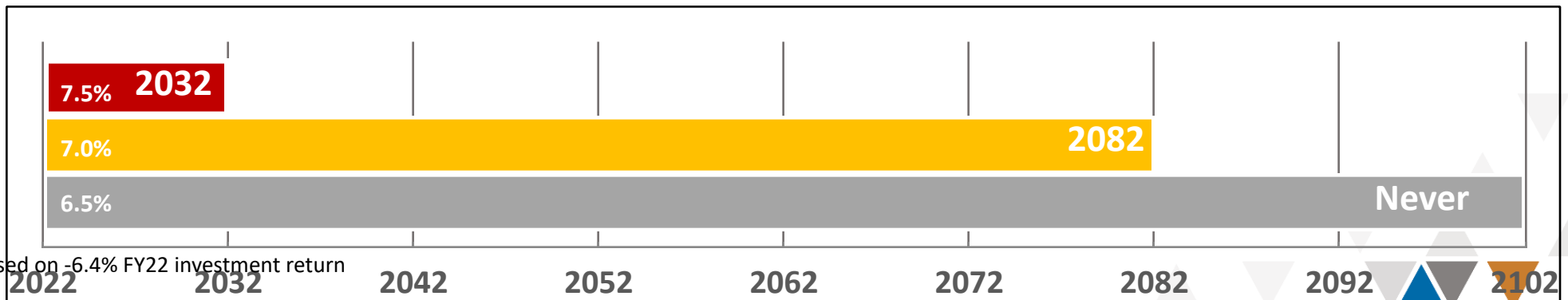
**42.2% probability**  
**10-year return exceeds 6.5%**



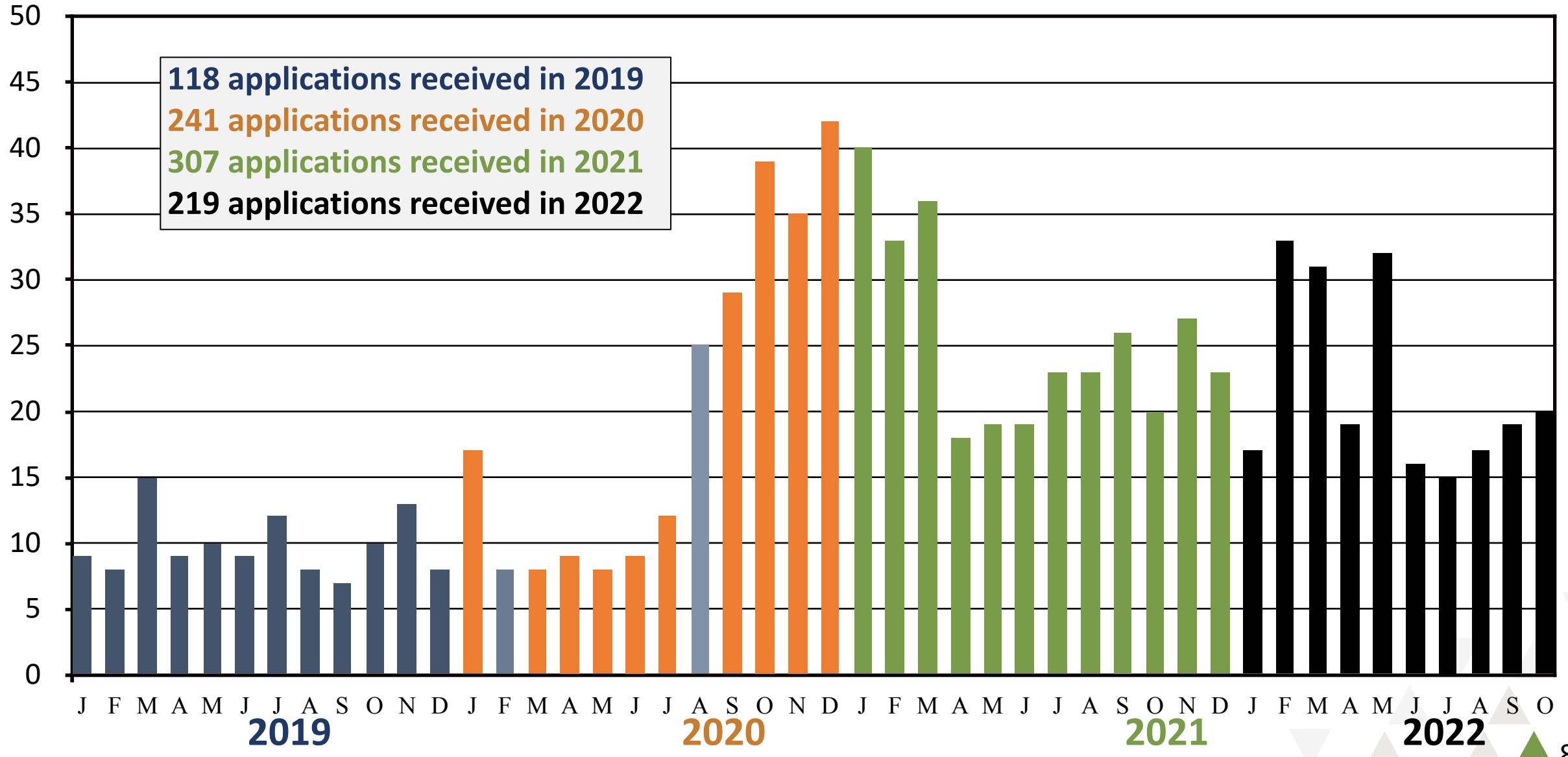
**50.0% probability**  
**10-year return exceeds 5.6%**

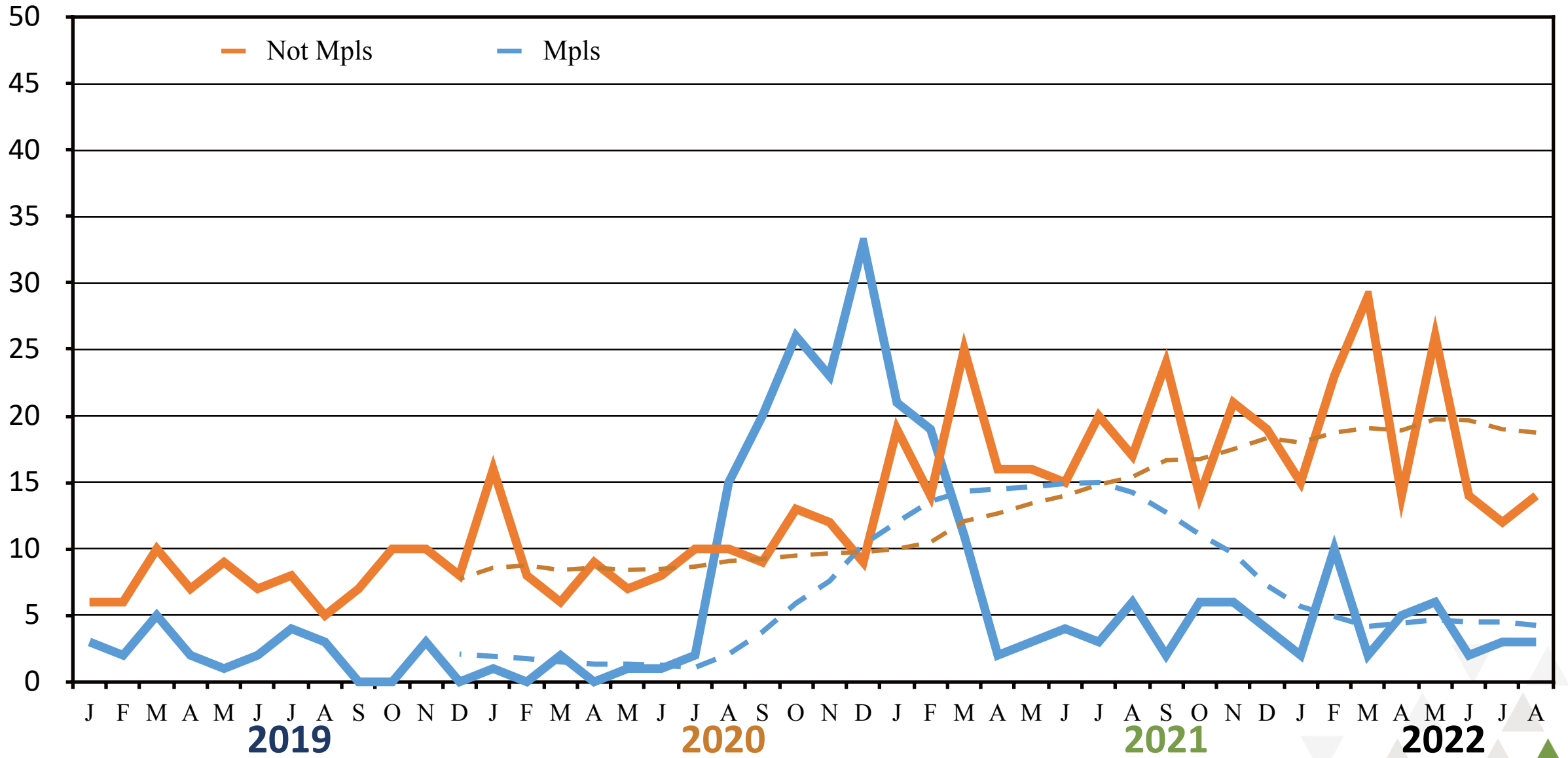


## Projected Full Funding Date

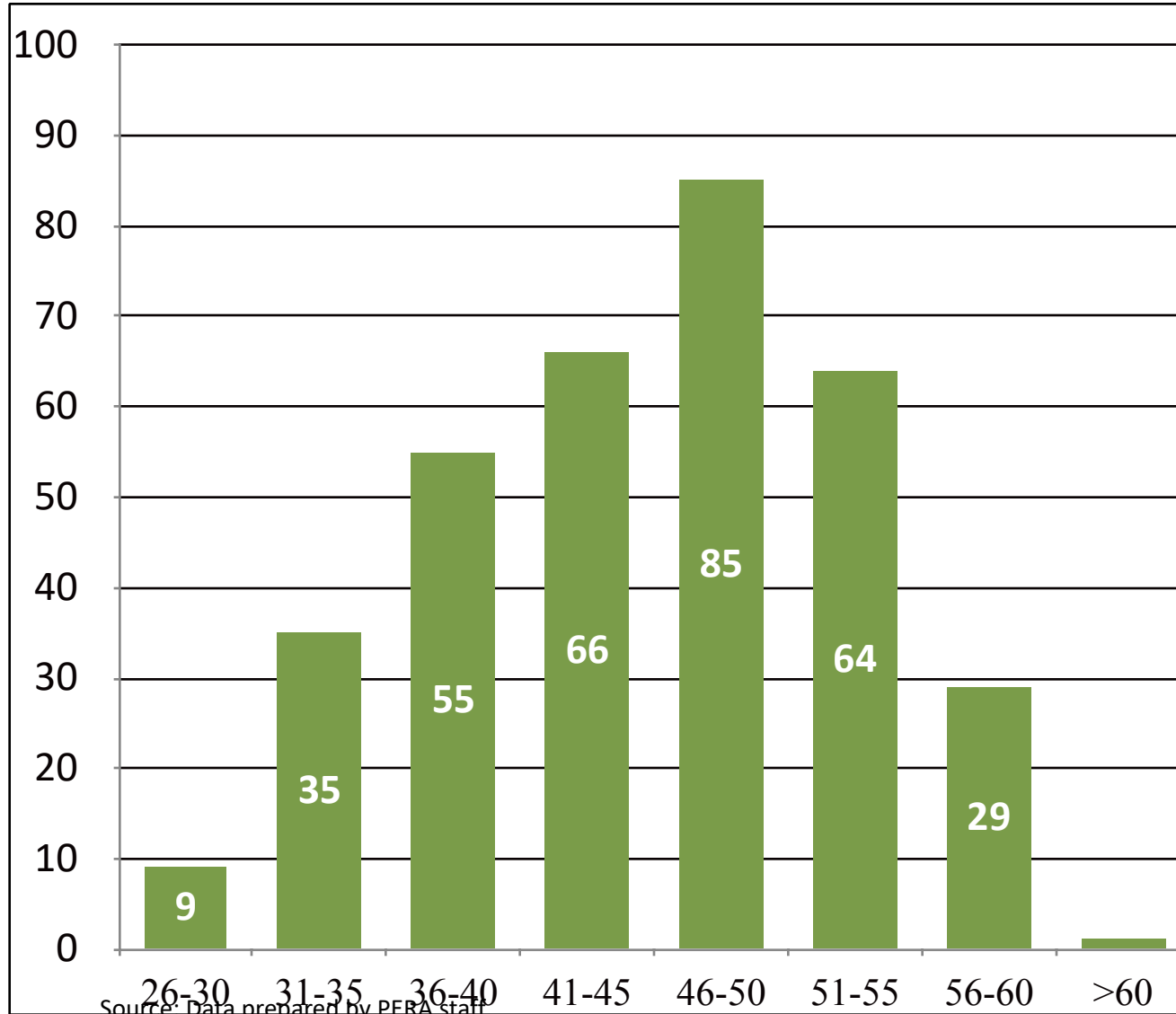


Source: GRS estimates based on -6.4% FY22 investment return

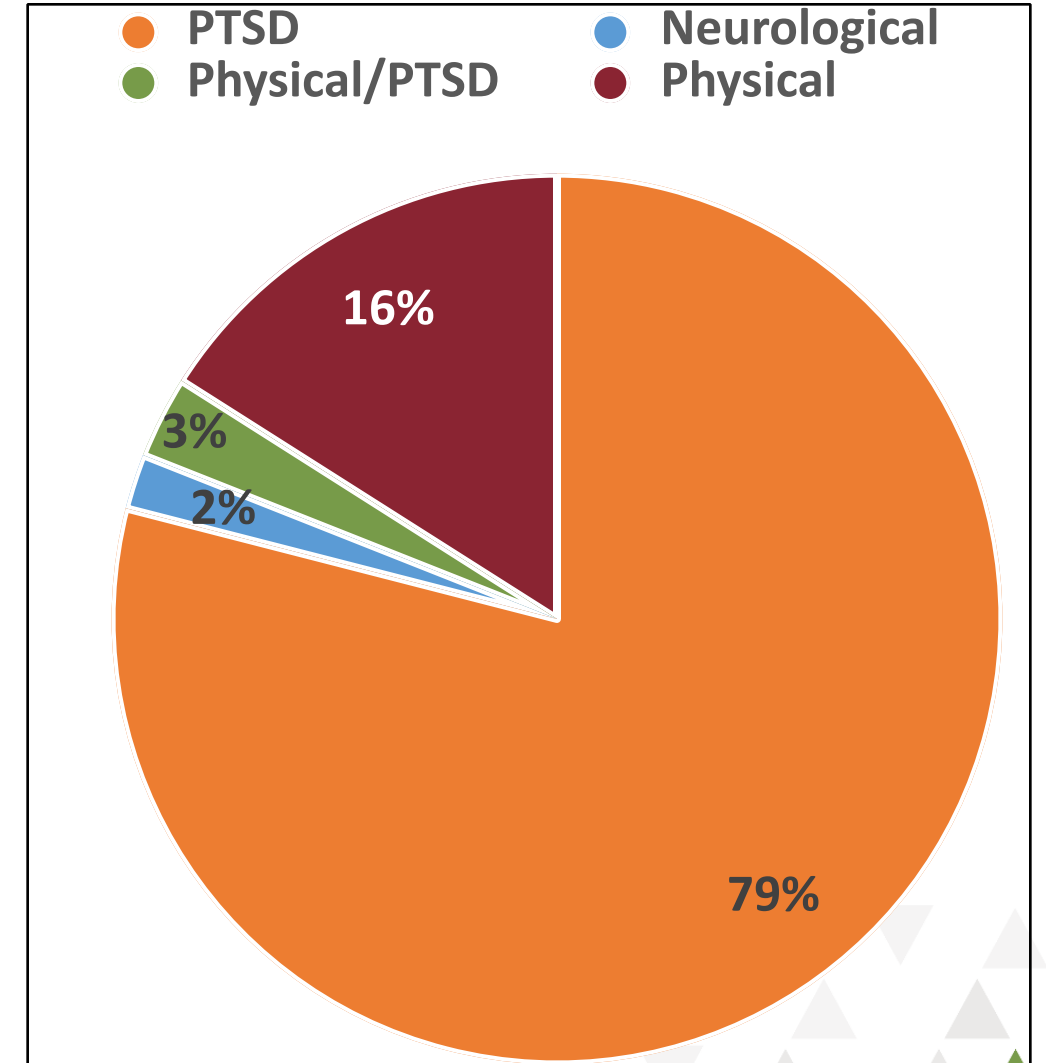




## Applications by Age

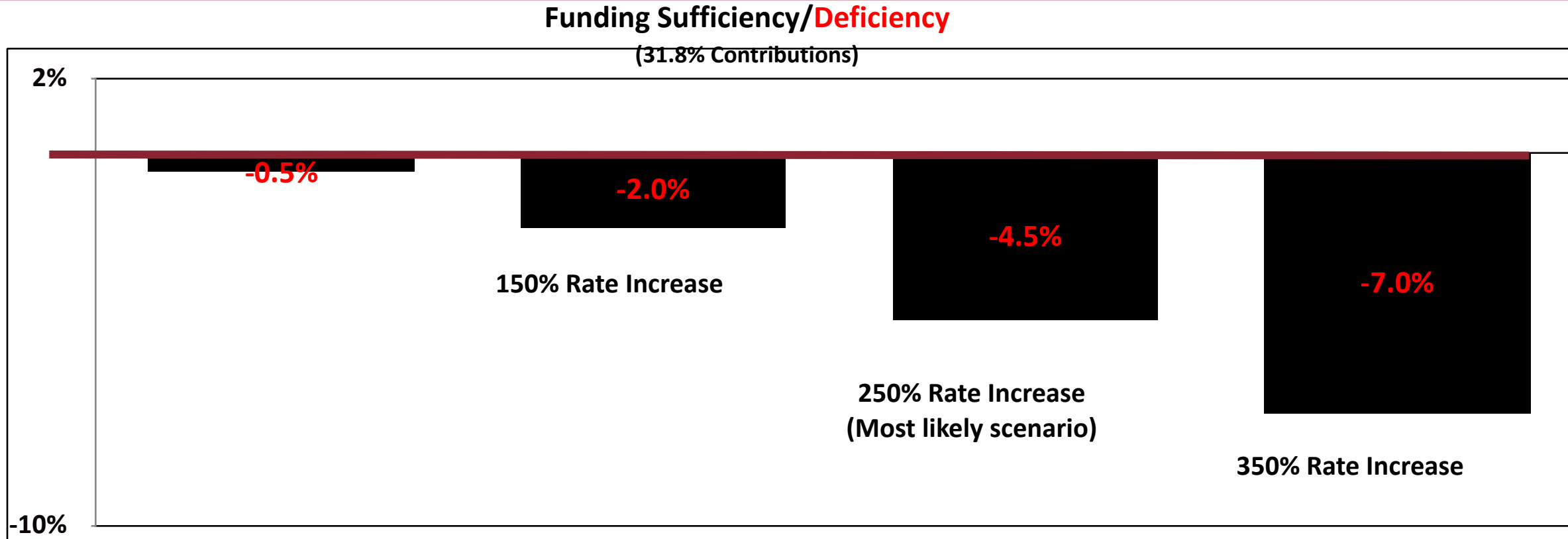


## Applications by Type

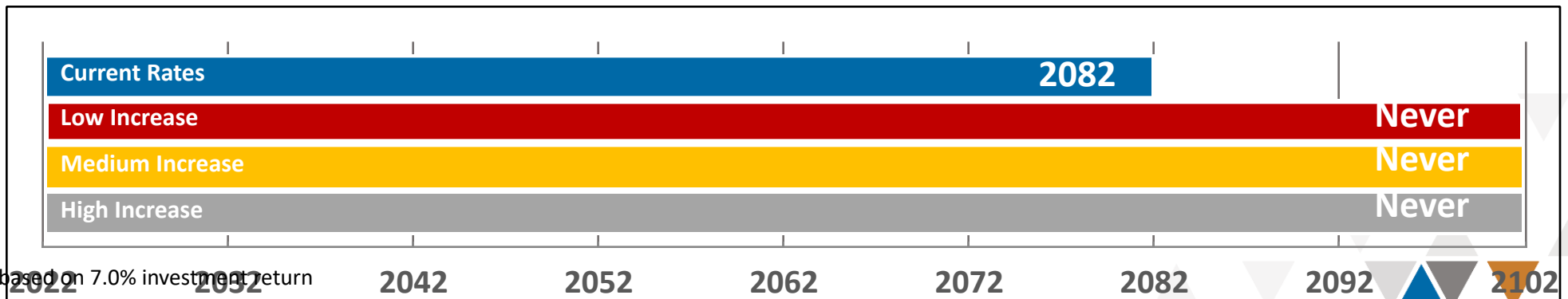




Metric	Current	Impact of Disability Rate Assumption Change		
Disability Rate Assumption	Current rates	150% Rate Increase	250% Rate Increase	350% Rate Increase
Basis for Assumption	Experience from 7/1/15 to 6/30/19	Experience from 7/1/15 to 1/31/22	Experience from 7/1/18 to 1/31/22	Experience from 7/1/20 to 1/31/22
Cost Increase (% of payroll)	N/A	1.5%	4.0%	6.5%



## Projected Full Funding Date



	Impact of Disability Rate Assumption Change		
Disability Rate Assumption	150% Rate Increase	250% Rate Increase	350% Rate Increase
Basis for Assumption	Experience from 7/1/15 to 1/31/22	Experience from 7/1/18 to 1/31/22	Experience from 7/1/20 to 1/31/22
Cost Increase (% of payroll)	1.5%	4.0%	6.5%

	Cost to Increase Retiree COLA from 1% to...		
Postretirement Adjustment (COLA)	50% of CPI, 1.0% Min, 1.5% Max (same as General Plan)	Fixed 1.5%	100% of CPI, 1.0% Min, 2.0% Max
Cost Increase (% of payroll)	2.1%	4.2%	6.1%

1. Investment returns have been and are expected to continue to be highly volatile.
2. 10-year forecasts have a wide range of possible outcomes.
3. Disability rates continue to be higher than the current assumption.
4. Increased disability rates are likely to add about 4% of payroll to current cost estimates.
5. Cost estimates are based on total headcount remaining steady; an assumption that is now harder to meet.
6. The plan is not in good position to fund contribution decreases or benefit increases.
7. The persistently high disability rates carry significant costs that may require higher contributions and/or limit the fund's ability to provide higher COLAs in retirement.