

COMPLIANCE AUDIT

City of Philadelphia Municipal Pension Fund Philadelphia County, Pennsylvania For the Period July 1, 2022 to June 30, 2024

March 2026



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Mayor and City Council
City of Philadelphia
Philadelphia County
Philadelphia, PA 19102

We have conducted a compliance audit of the City of Philadelphia Municipal Pension Fund for the period July 1, 2022 to June 30, 2024. We also evaluated compliance with some requirements subsequent to that period when possible. The audit was conducted pursuant to authority derived from the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984, as amended, 53 P.S. § 895.402(j)), which requires the Auditor General, as deemed necessary, to audit every municipality which receives general municipal pension system state aid and every municipal pension plan and fund in which general municipal pension system state aid is deposited. The audit was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if municipal officials took appropriate corrective action to address the finding contained in our prior report; and
2. To determine if the pension fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objectives identified above. To determine if municipal officials took appropriate corrective action to address the finding contained in our prior report, we inquired of plan officials and evaluated supporting documentation provided by officials evidencing that the suggested corrective action has been appropriately taken. To determine whether the pension fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- We determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the period under audit.
- We determined whether annual employer contributions were calculated and deposited in accordance with the fund's governing document and applicable laws and regulations by examining the municipality's calculation of the fund's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension fund as evidenced by supporting documentation.
- We determined whether annual employee contributions for 50 out of 27,479 active fund members¹ were calculated, deducted, and deposited into the pension fund in accordance with the individual plans' governing documents and applicable laws and regulations by testing total members' contributions on an annual basis using the rates obtained from the plans' governing documents in effect for all years within the period under audit and examining documents evidencing the deposit of these employee contributions into the pension fund.
- We determined whether retirement benefits calculated for 30 out of 3,400 fund members² who retired during the current audit period represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the individual plans' governing documents, applicable laws, and regulations by recalculating the amount of the monthly pension benefits due to the retired individuals and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to the recipients.
- We determined whether the July 1, 2023 actuarial valuation reports were prepared and submitted by March 31, 2024 in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.

¹ We selected employees randomly from the population of active employees during the current audit period in order to obtain a representative selection for the purpose of our testing to achieve the audit objective. While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

² We selected fund members randomly from the population of fund members who retired during the current audit period in order to obtain a representative selection for the purpose of our testing to achieve the audit objective. While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

- We determined whether all annual special ad hoc postretirement reimbursements received by the municipality were authorized and appropriately deposited in accordance with Act 147 by tracing information to supporting documentation maintained by plan officials.

The City of Philadelphia contracted with an independent certified public accounting firm for annual audits of the City of Philadelphia Municipal Pension Fund's financial statements which are available at the city's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

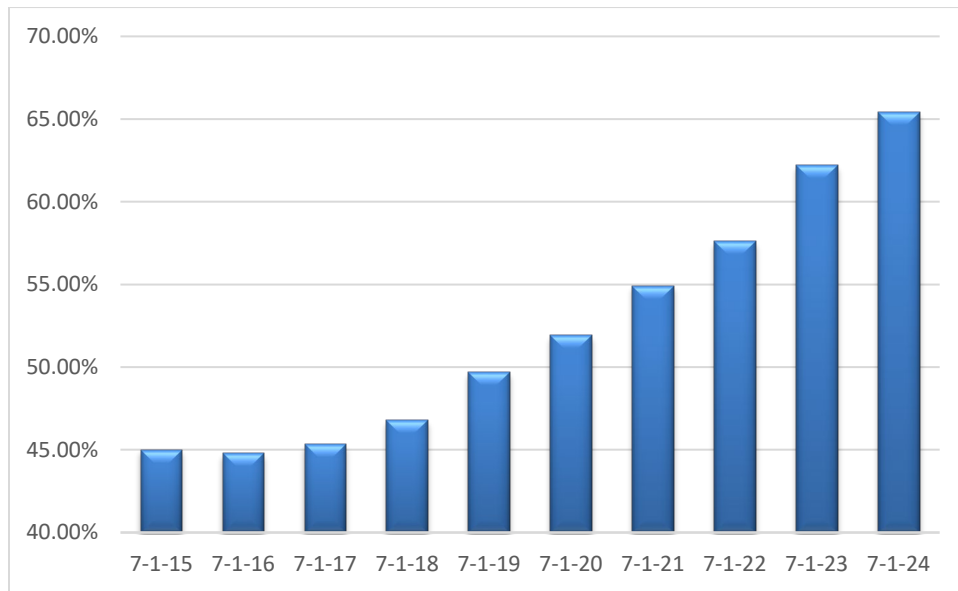
City officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the City of Philadelphia Municipal Pension Fund is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. As previously described, we tested transactions, interviewed selected officials, and performed procedures to the extent necessary to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objectives.

The results of our procedures indicated that, in all significant respects, the City of Philadelphia Municipal Pension Fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, except as noted in the following finding further discussed later in this report:

Finding – Partial Compliance With Prior Audit Recommendation - Incorrect Data On Certification Form AG 490 Resulting In Excess Reimbursements For Special 1989 Ad Hoc Postretirement Adjustments

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information and, accordingly, express no form of assurance on it. However, **we are extremely concerned about the funded status of the pension fund contained in the schedule of funding progress included in this report which indicates the funded ratio of the city's municipal pension fund is 65.4% as of July 1, 2024, which is the most recent data available.** It should be noted however, that this represents a continued increase in the assets available for benefits and the funded ratio of the pension fund which was 44.8% as of the July 1, 2016 valuation. We encourage city officials to continue making responsible decisions when monitoring the funding of the municipal pension fund to ensure its long-term financial stability.

A graphic illustration of the funding status of the city’s municipal pension fund over the past 10 years is presented below:



As previously noted, one of the objectives of our audit of the City of Philadelphia Municipal Pension Fund was to determine compliance with applicable state laws, contracts, administrative procedures, and local ordinances and policies. Among several provisions relating to municipal pension plans, Act 205, which was amended on September 18, 2009, through the adoption of Act 44 of 2009, provides for the implementation of a distress recovery program. Three levels of distress have been established:

<u>Level</u>	<u>Indication</u>	<u>Funding Criteria</u>
I	Minimal distress	70-89%
II	Moderate distress	50-69%
III	Severe distress	Less than 50%

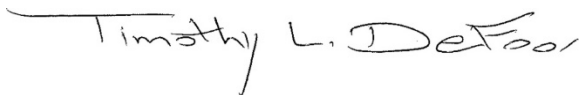
The data from the July 1, 2024, actuarial valuation reports for the city’s police, firefighters’, and non-uniformed municipal pension funds contained the following aggregated funding data:

<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Ratio</u>
\$ 8,583,194,268	\$ 13,133,732,000	65.4%

Based on the funding information noted above the city is considered to be in Level II moderate distress status.

Act 205 of 1984 established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans. Through the establishment of mandatory actuarial reporting and funding requirements, and by providing annual allocations of state aid, Act 205 was intended to provide a pathway for Pennsylvania's municipal pension plans to become fully funded. The City has taken strides through recent years to address its pension funding dilemma. The results since the implementation of the 2016 City of Philadelphia Municipal Pension Reforms exemplify an effective strategic plan to deal with its ongoing pension funding crisis. The actuarial funding ratio has increased from 44.8% in fiscal year 2016 to 65.4% in fiscal year 2024 (*and is now projected to reach the 80% funding level by approximately 2028 and 100% funding level by 2033 per the Management's Perspective section of this report*). The fiscally responsible decisions and reforms taken by both fund fiduciaries and city officials will benefit the City of Philadelphia and its taxpayers to ensure the city's pension fund has adequate resources to meet current and future benefit obligations to the city's hard-working police officers, firefighters, and non-uniformed employees as noted in the Management's Perspective section, and we commend them for their continued efforts to seek solutions to address this funding crisis.

The contents of this report were discussed with officials of the City of Philadelphia and, where appropriate, their responses have been included in the report. We would like to thank city officials for the cooperation extended to us during the conduct of the audit.



Timothy L. DeFoor
Auditor General
February 6, 2026

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MANAGEMENT'S PERSPECTIVE

The following, entitled "State of the Philadelphia Municipal Pension Fund" and dated August 21, 2025, was provided by the Executive Director of the Philadelphia Board of Pensions and Retirement and is hereby included as the disclosures provided pertain to the current audit period and beyond and also to ensure a fair, complete, and objective report.

The Philadelphia Municipal Pension Fund's upward trajectory continues since the implementation of the Pension Reforms of 2016. The funding level of the Pension Fund has gone from 44.8% in 2016 to the current 65.4%, an increase of 20.6% since the reforms.³ The fund is actuarially projected to reach 80% funding by approximately 2028 and 100% funding level by 2033.

In its recent Philadelphia 2025: State of the City Report, the PEW Charitable Trusts stated the following: "In 2024, the City of Philadelphia received an A+ credit rating from S&P Global Ratings, its highest standing in 40 years, due in large part to the much-improved fiscal status of its municipal pensions."

In June 2024, Fitch Ratings upgraded the city credit rating from A to A+, citing "continued improvement to the health of its pension fund" as a factor.

Moody's City of Philadelphia Credit Opinion stated in November 2024 that "Philadelphia's commitment to funding its pension plan has contributed to the city having among the lowest leverage burdens of any big city."

In July 2025, PICA⁴ issued its Report on the City's Five-year Plan stating that "tremendous progress has been made in recent years to raise the funding level and PICA commends the city leadership, city employees, City Council, city unions, pension board members, pension board staff, and the Pennsylvania State Legislature for the effort and resources that continue to be dedicated to stabilizing the pension fund."

The 2016 pension reforms were the result of a great collaboration between the Pension Board Trustees, the City Administration, the Municipal Unions, City Council, the State Legislature, and other stakeholders who took steps to improve the health of the Pension Fund. The reforms created a hybrid pension plan for new municipal employees, updated pension contributions for all employees, and dedicated additional City revenue to the Pension Fund from a portion of the local sales tax.

The additional revenue - known as the Revenue Recognition Policy (RRP) - is in addition to the Act 205 mandated annual minimum municipal obligation (MMO) and is dedicated to paying down the Fund's Unfunded Actuarial Liability (UAL). Since fiscal year 2016, over \$557 million in local sales tax has been contributed to the pension fund.

³ Auditor's Note: The Executive Director subsequently communicated that the funding level for the fund increased to 67.7% as of the fiscal year end June 30, 2025, an increase of 22.9% since the reforms.

⁴ PICA is the Pennsylvania Intergovernmental Cooperation Authority.

MANAGEMENT'S PERSPECTIVE – (Continued)

The June 2024 GASB¹ 67/68 report shows that since fiscal year 2016, the Fund's Net Pension Liability has decreased by over \$2 billion.

The June 2024 annual actuarial valuation report shows the additional revenue resulting in the Fund having even or positive cash flow in each of the last seven (7) fiscal years, after not having had positive cash flow for decades.

Starting in 2016, changes by the Board Trustees and investment staff to the Fund's portfolio resulted in investment manager fee reductions from 0.62% of assets to the current 0.29%, an aggregate savings of more than \$120 million. From June 2016 to June 2025, total fund assets have nearly doubled - \$4,303,567,829 to \$9,474,438,537.

As responsible stewards of the Municipal Pension Fund, all of us strive to make decisions aimed at enhancing the long-term health of the Fund. The responsible actions taken by all interested parties, including the Board trustees, Mayor Parker, prior City administrations, City Council, Municipal Unions, and the State Legislature is a great example of what is possible when working together toward a common goal.

The excellent collaborative work and fiscally responsible decisions resulting in the improvement of the Municipal Pension Fund have been cited by many organizations including the Pennsylvania State Auditor General, Philadelphia City Council, the PEW Charitable Trusts, PICA, S&P Global Ratings, Moody's Rating Agency, Fitch Ratings, PICA, and the Government Finance Officers Association (GFOA).

As previously noted by our partners at the Pennsylvania State Auditor General, "the fiscally responsible decisions and reforms taken by both fund fiduciaries and city officials will benefit the City of Philadelphia and its taxpayers to ensure the city's pension fund has adequate resources to meet current and future benefit obligations to the city's hard-working police officers, firefighters, and non-uniformed employees..., and we commend them for their continued efforts..."

I look forward to continuing our work with the Board Trustees, City Administration, City Council, Municipal Unions, State Legislature, State Auditor General, and all stakeholders to ensure that the Philadelphia Municipal Pension Fund continues its current path.

¹ GASB is the Governmental Accounting Standards Board.

BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The Act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans.

Annual state aid allocations are provided from a two percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

The City of Philadelphia Municipal Pension Fund is a single-employer defined benefit pension fund locally controlled by the provisions of the City of Philadelphia Public Employees Retirement Code. The fund is also affected by the provisions of collective bargaining agreements between the city and its police officers, firefighters, and non-uniformed employees.

The fund was established May 20, 1915. The fund has 4 basic plans, the 1967 plan (Plan 67), the 1987 plan (Plan 87), Plan 10, and Plan 16. Plan 10 was established in 2010 and is a hybrid plan with both defined benefit and defined contribution elements. Plan 16 was established in 2016 and is a stacked-hybrid plan with both defined benefit and defined contribution elements. Police employees and Firefighters who are not Plan 10 participants are required to contribute 5% of total compensation but not less than 30% or greater than 50% of gross normal cost for members of the uniformed division up to 20 years of credited service. Police employees hired after January 1, 2010 and Firefighters hired after October 15, 2010, who elect to participate in Plan 87 are required to contribute 6% of total compensation. Plan 10 uniformed participants are required to contribute 5.5% of total compensation up to 20 years of credited service. New uniformed employees hired or rehired on or after July 1, 2017 are required to contribute an additional 2.5% of compensation.

Under Plan 67, non-uniformed employees who participate in Social Security are required to contribute 4.75% of total compensation up to the taxable wage base and 6% of total compensation above the taxable wage base to the fund. Each employee who participates in the Social Security System contributes 6% of total compensation to the retirement system. Effective January 1, 2019, employees with annual salary (excluding overtime) in excess of \$45,000 will pay additional tier contributions on their total compensation over their base rates as follows: +0.50% of annual salary between \$45,000-\$55,000; +1.50% for annual salary between \$55,000-\$75,000; +2.00% for annual salary between \$75,000-\$100,000; and +2.75% for annual salary greater than \$100,000.

BACKGROUND – (Continued)

For Plan 87, total employee contributions equal 30% of the gross normal cost for all members in the municipal division plus an additional 1% of compensation (*currently, approximately 4.39%*). Effective January 1, 2019, current employees with annual salary (excluding overtime) in excess of \$45,000 will pay additional tier contributions on their total compensation over their base rates as follows: +0.50% of annual salary between \$45,000-\$55,000; +1.50% for annual salary between \$55,000-\$75,000; +2.00% for annual salary between \$75,000-\$100,000; and +2.75% for annual salary greater than \$100,000.

For Plan 10, total employee contributions equal 50% of the gross normal cost for members in the municipal division (*currently, approximately 2.33%*). Effective January 1, 2019, current employees with annual salary (excluding overtime) in excess of \$45,000 will pay additional tier contributions on their total compensation over their base rates as follows: +0.50% of annual salary between \$45,000-\$55,000; +1.50% for annual salary between \$55,000-\$75,000; +2.00% for annual salary between \$75,000-\$100,000; and +2.75% for annual salary greater than \$100,000.

Finally, contributions for Plan 16 members are based on compensation capped at \$65,000 (*currently, approximately 4%*). Additionally, employees with annual salary (excluding overtime) in excess of \$45,000 will pay additional tier contributions on their total compensation over their base rates as follows: +0.50% for annual salary between \$45,000 and \$55,000, and +1.5% for annual salary between \$55,000 and \$65,000.

As of June 30, 2024, the fund had 29,479 active members, 665 terminated members eligible for vested benefits in the future, and 36,962 retirees receiving pension benefits from the fund.

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
STATUS OF PRIOR FINDING

Partial Compliance With Prior Audit Recommendation

The City of Philadelphia has partially complied with the prior audit recommendation concerning the following:

- Incorrect Data On Certification Form AG 490 Resulting In Excess Reimbursements For Special 1989 Ad Hoc Postretirement Adjustments

As disclosed in the prior audit report, the Certification Forms AG 490 filed by the city contained incorrect data which resulted in the overpayment of postretirement adjustment reimbursements to the city in 2022 and 2023. It was recommended the city reimburse the overpayments to the Commonwealth and take appropriate action to ensure the accuracy of the information reported in the future.

During the current audit period, the city partially complied with our prior audit recommendation by reimbursing the total overpayments of the special 1989 ad hoc postretirement adjustment reimbursements received in 2022 and 2023 to the Commonwealth totaling \$1,750, plus interest. However, a similar condition occurred subsequent to the current audit period as further discussed in the finding contained in this report.

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
FINDING AND RECOMMENDATION

Finding – Partial Compliance With Prior Audit Recommendation - Incorrect Data On Certification Form AG 490 Resulting In Excess Reimbursements For Special 1989 Ad Hoc Postretirement Adjustments

Condition: As disclosed in the Status of Prior Finding section of this report, the city partially complied with the prior recommendation by reimbursing \$1,750, plus interest, to the Commonwealth for the excess ad hoc reimbursements received in 2022 and 2023. However, a similar condition occurred subsequent to the current audit period. The city annually files Certification Form AG 490 with the Department of the Auditor General. The data contained on this form determines the annual state reimbursement the city receives for cost of living adjustments (COLAs) paid to retirees pursuant to the provisions of Chapter 3 of Act 147, as amended. The reimbursement is determined on the total amount of the COLAs paid to eligible retirees and surviving spouses in the previous year reported by the city. However, the city improperly certified \$780 of special ad hoc postretirement adjustments for one individual on the Certification Form AG 490 submitted in 2025, which resulted in an overpayment of the special ad hoc postretirement adjustment reimbursement, as noted below. The individual died on February 17, 2024 with no survivor benefits payable after their death.

<u>Year Form was Submitted and Reimbursement Received</u>	<u>Certification Year</u>	<u>Individuals Improperly Certified</u>	<u>Overpayment of Special Ad Hoc Postretirement Adjustment Reimbursement</u>
2025	2024	1	\$ 780

Criteria: Pursuant to Act 147, Certification Form AG 490 should report only the amount of special ad hoc postretirement adjustments paid in the previous year to eligible retirees and/or their surviving spouses.

Cause: Although pension fund officials appropriately discontinued monthly pension benefit payments to deceased individuals during the period, the city failed to ensure the accuracy of the data included on Certification Form AG 490.

Effect: The city received an excess reimbursement from the Commonwealth in the amount of \$780 in 2025.

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
FINDING AND RECOMMENDATION

Finding – (Continued)

Recommendation: We recommend that the excess reimbursement, in the amount of \$780, be returned to the Commonwealth. A check in this amount, with interest compounded annually from date of receipt to date of repayment, at a rate earned by the pension fund, should be made payable to: Commonwealth of Pennsylvania and mailed to: Department of the Auditor General, Municipal Pension & Fire Relief Programs Unit, 321 Finance Building, Harrisburg, PA 17120. A copy of the interest calculation must be submitted along with the check.

We also recommend that pension fund officials implement adequate internal control procedures, such as having at least two people review the data certified, to ensure the accuracy of the reported data on subsequently filed Certification Forms AG 490.

Management’s Response: The city provided the following response:

Upon notification of the single error in its AG 490 report submitted to the State for Ad Hoc reimbursement, the Board conducted a review to understand the cause. It was determined that, while the individual’s pension was properly terminated in a timely manner, a transcription occurred during data entry resulting in the person remaining on the report which was sent to the Auditor General. As a result, the Pension Fund was incorrectly reimbursed a total of \$780, an amount which represents less than 0.2% of the \$392,720 received by the Board as reimbursement for the special ad hoc postretirement for the relevant time period.

The Board has agreed to the repayment of \$827.97, covering the entirety of the overpayment amount as well as interest at the rate earned by the Pension Fund during the relevant period, compounded annually from date of receipt to anticipated date of repayment.

Please note that the Pension Fund, in working with our pension payroll group, has significantly enhanced the Ad Hoc process. Following this finding, the Board will continue to take additional corrective action to attempt to identify and minimize instances of the type of human-committed data entry error which resulted in the individual not being correctly removed from the submitted AG 490 report, and will follow the proffered advice of the Auditor General to further enhance the AG 490 review process.

Auditor’s Conclusion: Compliance will be monitored subsequent to the release of the audit report and through our next audit of the pension fund.

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Historical trend information about the pension fund is presented herewith as supplementary information. It is intended to help users assess the fund’s funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially. The historical information, beginning as of July 1, 2019, is as follows (dollar in millions):

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)
07-01-19	\$ 5,852.5	\$ 11,783.1	\$ 5,930.6	49.7%
07-01-20	6,242.7	12,038.1	5,795.4	51.9%
07-01-21	6,633.1	12,074.0	5,441.0	54.9%
07-01-22	7,176.1	12,448.4	5,272.3	57.6%
07-01-23	7,979.2	12,821.4	4,842.2	62.2%
07-01-24	8,583.2	13,133.7	4,550.5	65.4%

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

Note: The market values of the fund's assets have been adjusted to reflect the smoothing of gains and/or losses over a 10-year averaging period, subject to a corridor between 80 and 120 percent of the market value of assets. These methods will lower contributions in years of less than expected returns and increase contributions in years of greater than expected returns. The net effect over long periods of time is to have less variance in contribution levels from year to year.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability (Column 4) provides one indication of the funding status of the pension fund on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the fund.

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS
Dollar Amounts in Thousands

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2015	\$ 556,030	\$ 577,195	\$ (21,166)	\$1,597,849	36.12%
2016	594,975	660,247	(65,271)	1,676,549	39.38%
2017	629,620	706,237	(76,617)	1,744,728	40.48%
2018	661,257	781,984	(120,727)	1,805,400	43.31%
2019	668,281	797,806	(129,525)	1,842,555	43.30%
2020	675,751	768,721	(92,970)	1,921,217	40.01%
2021	673,884	788,483	(114,599)	1,878,374	41.98%
2022	678,192	859,787	(181,595)	1,921,335	44.75%
2023	664,067	1,164,974	(500,907)	1,993,014	58.45%
2024	671,689	948,686	(276,997)	2,132,041	44.50%

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
 SUPPLEMENTARY INFORMATION
 NOTES TO SUPPLEMENTARY SCHEDULES
 (UNAUDITED)

The information presented in the supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

	<u>Police Officers</u>	<u>Firefighters</u>	<u>Non-Uniformed Employees</u>
Actuarial valuation date	July 1, 2024	July 1, 2024	July 1, 2024
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar
Remaining amortization period	12 years	12 years	11 years
Asset valuation method	10-year smoothing, value subject to a corridor between 80-120% of market value.	10-year smoothing, value subject to a corridor between 80-120% of market value.	10-year smoothing, value subject to a corridor between 80-120% of market value.
Actuarial assumptions:			
Investment rate of return	7.30%	7.30%	7.30%
Projected salary increases	3.30%	3.30%	3.30%
Cost-of-living adjustments	None assumed	None assumed	None assumed

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
COMMENTS

One Percent Sales And Use Tax Increase Extension

Act 205, previously amended by Act 44 of 2009, authorized the City of Philadelphia to temporarily impose a 1% sales and use tax with any monies received from the sales and use tax required to be applied toward payment of the City's MMOs and repayment of amounts deferred with interest. The City previously imposed the 1% sales and use tax (*adopted via ordinance (Bill No. 090244-A), for the period August 1, 2009 to June 30, 2014*) and later increased the tax by an additional 1% effective July 1, 2014 (*adopted via ordinance (Bill No. 140489)*) while also adopting the Special Taxing Authority prescribed in (*72 P.S. §7201-B*), establishing the distribution of the tax proceeds determined as follows:

(e)(1) Money received by the city from the levy, assessment and collection of the tax authorized under subsection (a) may only be paid to a school district of the first class in an amount of up to \$120,000,000.

(f) Remaining money.--Any remaining money above \$120,000,000 paid to a school district of the first class pursuant to this section shall be paid to a city of the first class as follows:

(1) for fiscal years 2014-2015, 2015-2016, 2016-2017 and 2017-2018, the first \$15,000,000 in each of those fiscal years may be retained for the payment of debt service incurred by the city for the benefit of a school district of the first class; and

(2) the remaining money shall be paid to a city of the first class in accordance with the act of December 18, 1984 (P.L.1005, No. 205), known as the Municipal Pension Plan Funding Standard and Recovery Act.

CITY OF PHILADELPHIA MUNICIPAL PENSION FUND
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

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Commonwealth of Pennsylvania

The Honorable Cherelle Parker
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Ms. Shamika Taliaferro
Deputy Pension Director

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