

Benefit Level Review
St Francis Fire Department
As of 03/14/2023

The purpose of this review is to assist you in considering a benefit level increase for your fire department. The fire department's governing body sets the benefit level in the SVF Plan for their volunteer firefighters. The governing body may elect to approve an increase in the fire department's benefit level once per year. Benefit level increases approved in a given year go into effect on January 1 of the next year.

At any time, either the fire chief or governing body representative(s) may request that PERA provide a cost analysis estimating the cost of increasing the fire department's benefit level under the SVF Plan. To request this cost analysis from PERA, please complete and return to PERA the request form attached to the same email with which this *Benefit Level Review* was delivered.

The information provided in this review is based on the data in your *Annual Funding Report*. The benefit level for your volunteer firefighters should be set at a level that, at a minimum, uses all of the available fire state aid towards covering your current annual pension cost.

The results of our review show that:
Your entity uses a portion of its fire state aid towards covering its annual financial requirement (i.e., annual pension cost).

The fire department's governing body should consider increasing the benefit level for its volunteer firefighters.

Review of Current Benefit Level		
Current Benefit Level	\$	2,900
Annual Financial Requirement at 12/31/2024	\$	3,011
Projected 2024 Fire State Aid	\$	53,073
Projected 2024 Investment Earnings (assumed 6% rate of return)	\$	71,681
Projected Funding Ratio at 12/31/2023		194%

Below is the estimated benefit level at which the annual fire state aid would cover the annual financial requirement. Note that the projected annual investment earnings on your pension assets are also available to be used towards covering the annual financial requirement.

Benefit Level at which fire state aid approximately equals the annual financial requirement.		
Benefit Level	\$	4,300
Annual Financial Requirement at 12/31/2024	\$	56,245
Projected 2024 Fire State Aid	\$	53,073
Funding Ratio		139%

Below is the estimated benefit level at which the annual fire state aid along with a portion of the projected annual investment earnings would cover the annual financial requirement, while maintaining a surplus funding ratio.

Benefit Level at which annual fire state aid and a portion of the projected annual investment earnings are used to cover the annual financial requirement.		
Benefit Level	\$	4,800
Annual Financial Requirement at 12/31/2024	\$	75,263
Projected 2024 Fire State Aid	\$	53,073
Projected 2024 Investment Earnings (assumed 6% rate of return)	\$	71,681
Funding Ratio		126%

To consider increasing the benefit level for your volunteer firefighters, please complete and return to PERA the *Request a Benefit Level Cost Analysis SVF Plan* form attached to the same message as this *Benefit Level Review*. Upon receiving your request form, PERA will prepare the requested cost analysis free of charge.