November 5, 2025

Florida Department of Management Services
Division of Retirement
3189 South Blair Stone Road
Tallahassee, FL 30231-6812

Subject: **Retirement Plan for the Employees of South Broward Hospital District – Chapter 60T-1.0035 Additional Actuarial Disclosures for the Fiscal Year Ended April 30, 2025**

To Whom It May Concern:

Attached are the following exhibits for the Retirement Plan for the Employees of South Broward Hospital District as required under Chapter 60T-1.0035 for the Additional Actuarial Disclosures required under Section 112.664(1), Florida Statutes (F.S.) for the fiscal year ended April 30, 2025 (FYE 2025):

- **Exhibit 1** – Annual Financial Statements (AFS) in compliance with the requirements in Sections 112.664(1)(a) and (b), F.S. Note that all of the non-mortality assumptions, method and plan changes outlined in the GASB 67/68 report for the measurement period ended April 30, 2025 dated June 2025 have been reflected in Exhibit 1. These changes include the unlimited lump sum plan amendment, 1% assumed merit increase to salary scale at May 1, 2025 and the refinement to the valuation approach to estimate plan eligible compensation. With respect to the unlimited lump sum amendment identified under "Benefit changes", please note the following:
  - The change in Total Pension Liability amount under 112.664(1)(a) is a reduction of $19,185,298; whereas the 112.664(1)(b) amount is a reduction of $58,862,346.
  - This difference in magnitude has to do with the relationship between the discount rate specified by the plan to calculate lump sums, 7.5%, and the discount rate used for the total pension liability measurement in (1)(a), 7%, and (1)(b), 5%.
  - The actuarial valuation includes an assumption for the optional lump sum form of payment election. For those participants assumed to elect a lump sum at the point of separation from service, the lump sum is calculated using the plan's 7.5% interest rate, rather than the (1)(a) and (1)(b) discount rates.
  - That the plan's 7.5% lump sum interest rate is higher than the (1)(a) discount rate of 7.0% explains why the benefit change results in a reduction in total pension liability.
  - That the plan's 7.5% lump sum interest rate is much higher than the (1)(b) discount rate of 5.0% explains why the benefit change amount in column (1)(b) is more than three times the corresponding amount in (1)(a).

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- **Exhibit 2** – Contribution requirements for the plan under: (1) May 1, 2024 valuation assumptions and methods; (2) 112.664(1)(a) assumptions; and (3) 112.664(1)(b) assumptions. Note that the Entry Age Normal cost method as required for GASB reporting was used for items (2) and (3). The assumptions used in Exhibit 2 are the same as outlined in Appendix A of the May 1, 2024 funding valuation dated March 2025. Note that the unlimited lump sum plan change effective August 1, 2024 was not reflected in the May 1, 2024 funding valuation (since it was effective after the valuation date) and thus was not reflected in Exhibit 2.

- **Exhibit 3** – Illustration of years and number of months Market Value of Assets are adequate to pay expected retirement benefit payments on an accrued benefit basis under: (1) May 1, 2024 valuation assumptions; (2) Section 112.664(1)(a) assumptions and (3) Section 112.664(1)(b) assumptions. The assumptions used in Exhibit 3 are the same as outlined in Appendix A of the May 1, 2024 funding valuation dated March 2025. Note that the unlimited lump sum plan change effective August 1, 2024 was not reflected in the May 1, 2024 funding valuation (since it was effective after the valuation date) and thus was not reflected in Exhibit 3.

- **Appendix A** – Statement of actuarial assumptions, methods and data sources and other information for the "Alternative Basis" reporting under Sections 112.664(1)(a) and 112.664(1)(b), F.S. Because the Alternative Basis measures were developed using certain assumptions prescribed in the Florida Statutes, the funded status measures shown should not be considered the actuary's best estimate of the funded status of the plan.

  - The "Valuation Basis" results shown in the Exhibits 2 and 3 are based on the assumptions outlined in Appendix A of the May 1, 2024 funding valuation dated March 2025.

- **Appendix B** – Summary of principal plan provisions used for the report.

Actuarial Statement

Except as outlined above, the results are based on the data, assumptions, methods, plan provisions and other information outlined in the attached Appendix A and Appendix B. Therefore, such information, and the reliances and limitations of the May 1, 2024 valuation report and its use, should be considered part of this letter report. The alternative measures were developed using certain assumptions prescribed in the Florida Statutes, therefore the funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.

Certification Statement

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Denise Miller

Denise Miller, E.A.
23-06274
November 5, 2025

The undersigned consultants with actuarial credentials meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinions contained herein. To the best of our knowledge, all plan participants on May 1, 2024, and all plan provisions have been reflected in the valuation. In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the Internal Revenue Code, Chapter 112 of the Florida Statutes and GASB No. 67, as applicable. There is no relationship between Memorial Healthcare System and Willis Towers Watson US LLC that impacts our objectivity.

Please review these results and let us know if you have any questions.

Sincerely,

Denise Miller, E.A.
Director, Retirement

Jason Naddell, F.S.A., E.A.
Senior Director, Retirement

Attachments: Exhibits 1-3
Appendix A
Confirmation of filing submitted on FRS Online

cc: Richard Holcomb
Irfan Mirza
Christina Mullins
Veda Rampat
Lindsay Welding

Exhibit 1

Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(3), F.A.C.

	Alternative Basis	
	Section 112.664(1)(a), F.S.	**Section 112.664(1)(b), F.S.**
Mortality Basis	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018
Discount Rate - beginning	**7.00%**	**5.00%**
Discount Rate - ending	**7.00%**	**5.00%**
Measurement Period	**5/1/2024 - 4/30/2025**	**5/1/2024 - 4/30/2025**
Total pension liability		
Service cost	$ 10,426,583	$ 16,907,786
Interest	71,729,847	65,281,476
Benefit changes	(19,185,298)	(58,862,346)
Difference between expected and actual experience	34,580,525	45,865,802
Changes in assumptions	20,632,992	34,282,101
Benefits payments, including refunds of member contributions	(57,987,155)	(57,987,155)
Net change in total pension liability	$ 60,197,494	$ 45,487,664
Total pension liability - beginning	$ 1,037,351,019	$ 1,312,475,758
Total pension liability - ending	$ 1,097,548,513	$ 1,357,963,422
Plan fiduciary net position		
Contributions - Employer	$ 37,350,000	$ 37,350,000
Contributions - State	-	-
Contributions - Member	-	-
Net investment income	76,041,678	76,041,678
Benefits payments, including refunds of member contributions	(57,987,155)	(57,987,155)
Administrative expense	(109,746)	(109,746)
Other	-	-
Net change in plan fiduciary net position	$ 55,294,777	$ 55,294,777
Plan fiduciary net position - beginning	$ 988,669,687	$ 988,669,687
Plan fiduciary net position - ending	$ 1,043,964,464	$ 1,043,964,464
Net pension liability/(asset) - ending	$ 53,584,049	$ 313,998,958
Net pension position as % of liability	95.1%	76.9%
Covered employee payroll	$ 287,369,078	$ 287,369,078
Net pension liability as % of covered payroll	18.6%	109.3%

The Alternative Basis funded status measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A of this report. Because this alternative measure was developed using certain assumptions prescribed in the statutes, the alternative funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.

Exhibit 2

Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(4) & (5), FAC

	Valuation Basis	Alternative Basis	
	Section 112.664(1)(c), F.S.	**Section 112.664(1)(a), F.S.**	**Section 112.664(1)(b), F.S.**
Discount Rate	7.00%	7.00%	5.00%
Mortality Basis	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018
Cost Method	Projected Unit Credit	Entry Age Normal	Entry Age Normal
Recommended plan contributions in annual dollar value [Chapter 60T-1.0035(5), FAC]	$25,653,058	$28,256,337	$72,755,906
Recommended plan contributions as a percentage of valuation payroll [Chapter 60T-1.0035(5), FAC]	8.93%	9.83%	25.32%

The Valuation Basis measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A of the May 1, 2024 funding valuation report dated March 2025. The Alternative Basis measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in the Appendix A that is included with this report. Because this alternative measure was developed using certain assumptions prescribed in the statutes, the alternative funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.

Exhibit 3

Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(4) & (5), FAC

	Section 112.664(1)(c), F.S.				Section 112.664(1)(a), F.S.				Section 112.664(1)(b), F.S.			
	Valuation Basis				Alternative Basis				Alternative Basis			
	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 7.00%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 7.00%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 5.00%			
Valuation Date	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years
4/30/2025	1,043,964,464	51,870,701	71,262,038	1	1,043,964,464	51,870,701	71,262,038	1	1,043,964,464	51,870,701	50,901,456	1
4/30/2026	1,063,355,801	55,630,215	72,487,849	2	1,063,355,801	55,630,215	72,487,849	2	1,042,995,219	55,630,215	50,759,006	2
4/30/2027	1,080,213,434	59,034,152	73,548,745	3	1,080,213,434	59,034,152	73,548,745	3	1,038,124,009	59,034,152	50,430,347	3
4/30/2028	1,094,728,028	62,076,908	74,458,270	4	1,094,728,028	62,076,908	74,458,270	4	1,029,520,205	62,076,908	49,924,088	4
4/30/2029	1,107,109,390	65,069,870	75,220,212	5	1,107,109,390	65,069,870	75,220,212	5	1,017,367,385	65,069,870	49,241,623	5
4/30/2030	1,117,259,732	67,795,313	75,835,345	6	1,117,259,732	67,795,313	75,835,345	6	1,001,539,138	67,795,313	48,382,074	6
4/30/2031	1,125,299,765	70,045,935	76,319,376	7	1,125,299,765	70,045,935	76,319,376	7	982,125,900	70,045,935	47,355,147	7
4/30/2032	1,131,573,205	72,069,712	76,687,684	8	1,131,573,205	72,069,712	76,687,684	8	959,435,111	72,069,712	46,170,013	8
4/30/2033	1,136,191,177	73,865,981	76,948,073	9	1,136,191,177	73,865,981	76,948,073	9	933,535,412	73,865,981	44,830,121	9
4/30/2034	1,139,273,269	75,428,594	77,109,128	10	1,139,273,269	75,428,594	77,109,128	10	904,499,552	75,428,594	43,339,263	10
4/30/2035	1,140,953,804	76,606,672	77,185,533	11	1,140,953,804	76,606,672	77,185,533	11	872,410,222	76,606,672	41,705,344	11
4/30/2036	1,141,532,665	77,330,474	77,200,720	12	1,141,532,665	77,330,474	77,200,720	12	837,508,894	77,330,474	39,942,183	12
4/30/2037	1,141,402,911	77,656,690	77,180,220	13	1,141,402,911	77,656,690	77,180,220	13	800,120,603	77,656,690	38,064,613	13
4/30/2038	1,140,926,441	77,593,064	77,149,094	14	1,140,926,441	77,593,064	77,149,094	14	760,528,526	77,593,064	36,086,600	14
4/30/2039	1,140,482,471	77,281,624	77,128,916	15	1,140,482,471	77,281,624	77,128,916	15	719,022,062	77,281,624	34,019,063	15
4/30/2040	1,140,329,763	76,615,957	77,141,525	16	1,140,329,763	76,615,957	77,141,525	16	675,759,501	76,615,957	31,872,576	16
4/30/2041	1,140,855,331	75,586,517	77,214,345	17	1,140,855,331	75,586,517	77,214,345	17	631,016,120	75,586,517	29,661,143	17
4/30/2042	1,142,483,159	74,238,832	77,375,462	18	1,142,483,159	74,238,832	77,375,462	18	585,090,746	74,238,832	27,398,566	18
4/30/2043	1,145,619,788	72,569,391	77,653,456	19	1,145,619,788	72,569,391	77,653,456	19	538,250,479	72,569,391	25,098,289	19
4/30/2044	1,150,703,853	70,682,482	78,075,383	20	1,150,703,853	70,682,482	78,075,383	20	490,779,377	70,682,482	22,771,907	20
4/30/2045	1,158,096,754	68,508,070	78,668,990	21	1,158,096,754	68,508,070	78,668,990	21	442,868,802	68,508,070	20,430,738	21
4/30/2046	1,168,257,674	66,098,247	79,464,599	22	1,168,257,674	66,098,247	79,464,599	22	394,791,470	66,098,247	18,087,117	22
4/30/2047	1,181,624,027	63,501,524	80,491,129	23	1,181,624,027	63,501,524	80,491,129	23	346,780,341	63,501,524	15,751,479	23
4/30/2048	1,198,613,631	60,717,183	81,777,853	24	1,198,613,631	60,717,183	81,777,853	24	299,030,295	60,717,183	13,433,585	24
4/30/2049	1,219,674,301	57,774,768	83,355,084	25	1,219,674,301	57,774,768	83,355,084	25	251,746,697	57,774,768	11,142,966	25
4/30/2050	1,245,254,617	54,723,267	85,252,509	26	1,245,254,617	54,723,267	85,252,509	26	205,114,895	54,723,267	8,887,663	26
4/30/2051	1,275,783,859	51,575,959	87,499,712	27	1,275,783,859	51,575,959	87,499,712	27	159,279,291	51,575,959	6,674,566	27
4/30/2052	1,311,707,612	48,387,500	90,125,970	28	1,311,707,612	48,387,500	90,125,970	28	114,377,898	48,387,500	4,509,207	28
4/30/2053	1,353,446,082	45,205,436	93,159,035	29	1,353,446,082	45,205,436	93,159,035	29	70,499,605	45,205,436	2,394,844	29
4/30/2054	1,401,399,681	42,032,802	96,626,830	30	1,401,399,681	42,032,802	96,626,830	30	27,689,013	42,032,802	333,631	**29.66**
4/30/2055	1,455,993,710	38,922,327	100,557,278	31	1,455,993,710	38,922,327	100,557,278	31	-	-	-	-
4/30/2056	1,517,628,660	35,888,845	104,977,897	32	1,517,628,660	35,888,845	104,977,897	32	-	-	-	-
4/30/2057	1,586,717,712	32,960,923	109,916,608	33	1,586,717,712	32,960,923	109,916,608	33	-	-	-	-
4/30/2058	1,663,673,398	30,144,293	115,402,088	34	1,663,673,398	30,144,293	115,402,088	34	-	-	-	-
4/30/2059	1,748,931,193	27,458,401	121,464,139	35	1,748,931,193	27,458,401	121,464,139	35	-	-	-	-
4/30/2060	1,842,936,930	24,913,626	128,133,608	36	1,842,936,930	24,913,626	128,133,608	36	-	-	-	-
4/30/2061	1,946,156,912	22,515,709	135,442,934	37	1,946,156,912	22,515,709	135,442,934	37	-	-	-	-
4/30/2062	2,059,084,138	20,266,657	143,426,557	38	2,059,084,138	20,266,657	143,426,557	38	-	-	-	-
4/30/2063	2,182,244,037	18,163,576	152,121,357	39	2,182,244,037	18,163,576	152,121,357	39	-	-	-	-
4/30/2064	2,316,201,818	16,212,906	161,566,676	40	2,316,201,818	16,212,906	161,566,676	40	-	-	-	-
4/30/2065	2,461,555,588	14,410,401	171,804,527	41	2,461,555,588	14,410,401	171,804,527	41	-	-	-	-
4/30/2066	2,618,949,715	12,754,103	182,880,086	42	2,618,949,715	12,754,103	182,880,086	42	-	-	-	-

Exhibit 3

Retirement Plan for Employees of South Broward Hospital District
Financial Reporting Requirements of Section 112.664(1), Florida Statutes
Under Chapter 60T-1.0035(4) & (5), FAC

	Section 112.664(1)(c), F.S. Valuation Basis				Section 112.664(1)(a), F.S. Alternative Basis				Section 112.664(1)(b), F.S. Alternative Basis			
	Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 7.00%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 7.00%				Pub-2010 Below Median Headcount-weighted Employee and Annuitant Mortality Tables, males set back one year, with Generational Projection under Scale MP-2018 Assumed Investment Return = 5.00%			
Valuation Date	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Investment Return	Years
4/30/2067	2,789,075,698	11,238,584	194,841,948	43	2,789,075,698	11,238,584	194,841,948	43	-	-	-	-
4/30/2068	2,972,679,062	9,858,006	207,742,504	44	2,972,679,062	9,858,006	207,742,504	44	-	-	-	-
4/30/2069	3,170,563,560	8,606,153	221,638,234	45	3,170,563,560	8,606,153	221,638,234	45	-	-	-	-
4/30/2070	3,383,595,641	7,476,833	236,590,006	46	3,383,595,641	7,476,833	236,590,006	46	-	-	-	-
4/30/2071	3,612,708,813	6,462,848	252,663,417	47	3,612,708,813	6,462,848	252,663,417	47	-	-	-	-
4/30/2072	3,858,909,382	5,556,926	269,929,164	48	3,858,909,382	5,556,926	269,929,164	48	-	-	-	-
4/30/2073	4,123,281,620	4,751,739	288,463,403	49	4,123,281,620	4,751,739	288,463,403	49	-	-	-	-
4/30/2074	4,406,993,284	4,039,919	308,348,133	50	4,406,993,284	4,039,919	308,348,133	50	-	-	-	-
4/30/2075	4,711,301,498	3,414,044	329,671,613	51	4,711,301,498	3,414,044	329,671,613	51	-	-	-	-
4/30/2076	5,037,559,067	2,866,844	352,528,795	52	5,037,559,067	2,866,844	352,528,795	52	-	-	-	-
4/30/2077	5,387,221,018	2,391,341	377,021,774	53	5,387,221,018	2,391,341	377,021,774	53	-	-	-	-
4/30/2078	5,761,851,451	1,980,788	403,260,274	54	5,761,851,451	1,980,788	403,260,274	54	-	-	-	-
4/30/2079	6,163,130,937	1,628,692	431,362,161	55	6,163,130,937	1,628,692	431,362,161	55	-	-	-	-
4/30/2080	6,592,864,406	1,328,926	461,453,996	56	6,592,864,406	1,328,926	461,453,996	56	-	-	-	-
4/30/2081	7,052,989,475	1,075,695	493,671,614	57	7,052,989,475	1,075,695	493,671,614	57	-	-	-	-
4/30/2082	7,545,585,395	863,561	528,160,753	58	7,545,585,395	863,561	528,160,753	58	-	-	-	-
4/30/2083	8,072,882,586	687,433	565,077,721	59	8,072,882,586	687,433	565,077,721	59	-	-	-	-
4/30/2084	8,637,272,874	542,597	604,590,110	60	8,637,272,874	542,597	604,590,110	60	-	-	-	-
4/30/2085	9,241,320,387	424,739	646,877,561	61	9,241,320,387	424,739	646,877,561	61	-	-	-	-
4/30/2086	9,887,773,210	329,878	692,132,579	62	9,887,773,210	329,878	692,132,579	62	-	-	-	-
4/30/2087	10,579,575,910	254,368	740,561,411	63	10,579,575,910	254,368	740,561,411	63	-	-	-	-
4/30/2088	11,319,882,954	194,925	792,384,984	64	11,319,882,954	194,925	792,384,984	64	-	-	-	-
4/30/2089	12,112,073,013	148,648	847,839,908	65	12,112,073,013	148,648	847,839,908	65	-	-	-	-
4/30/2090	12,959,764,272	112,994	907,179,544	66	12,959,764,272	112,994	907,179,544	66	-	-	-	-
4/30/2091	13,866,830,822	85,778	970,675,155	67	13,866,830,822	85,778	970,675,155	67	-	-	-	-
4/30/2092	14,837,420,200	65,151	1,038,617,134	68	14,837,420,200	65,151	1,038,617,134	68	-	-	-	-
4/30/2093	15,875,972,182	49,604	1,111,316,317	69	15,875,972,182	49,604	1,111,316,317	69	-	-	-	-
4/30/2094	16,987,238,896	37,921	1,189,105,395	70	16,987,238,896	37,921	1,189,105,395	70	-	-	-	-
4/30/2095	18,176,306,370	29,153	1,272,340,426	71	18,176,306,370	29,153	1,272,340,426	71	-	-	-	-
4/30/2096	19,448,617,643	22,561	1,361,402,445	72	19,448,617,643	22,561	1,361,402,445	72	-	-	-	-
4/30/2097	20,809,997,527	17,585	1,456,699,211	73	20,809,997,527	17,585	1,456,699,211	73	-	-	-	-
4/30/2098	22,266,679,153	13,808	1,558,667,057	74	22,266,679,153	13,808	1,558,667,057	74	-	-	-	-
4/30/2099	23,825,332,402	10,918	1,667,772,886	75	23,825,332,402	10,918	1,667,772,886	75	-	-	-	-
4/30/2100	25,493,094,370	8,690	1,784,516,302	76	25,493,094,370	8,690	1,784,516,302	76	-	-	-	-
4/30/2101	27,277,601,981	6,959	1,909,431,895	77	27,277,601,981	6,959	1,909,431,895	77	-	-	-	-
4/30/2102	29,187,026,917	5,605	2,043,091,688	78	29,187,026,917	5,605	2,043,091,688	78	-	-	-	-
4/30/2103	31,230,113,001	4,532	2,186,107,751	79	31,230,113,001	4,532	2,186,107,751	79	-	-	-	-
4/30/2104	33,416,216,219	-	2,339,135,135	80	33,416,216,219	-	2,339,135,135	80	-	-	-	-

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

The Valuation Basis measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A. The Alternative Basis funded status measures included in this exhibit were developed based on the data, assumptions, methods, models, plan provisions, and other information outlined in Appendix A as well. Because this alternative measure was developed using certain assumptions prescribed in the statutes, the alternative funded status measure shown should not be considered the actuary's best estimate of the funded status of the plan.

Appendix A: Statement of actuarial assumptions, methods and data sources

Plan Sponsor

South Broward Hospital District (SBHD)

Statement of Assumptions

The assumptions disclosed in this Appendix A are for the fiscal year ended April 30, 2025 additional actuarial disclosures required under Chapter 60T-1.0035 of the Florida Administrative Code in order to comply with Section 112.664(1)(a) and 112.664(1)(b) of the Florida Statutes (F.S.).

Economic Assumptions

Discount rate and expected return on assets

7.00% for reporting under Section 112.664(1)(a), F.S. and 5.00% for reporting under Section 112.664(1)(b), F.S.

Compensation increases

Age	Percentage increase *
Less than 35	6.00%
35 – 39	5.25%
40 – 44	5.00%
45 – 49	4.50%
50 – 54	4.00%
55 – 59	3.50%
60 or older	3.25%

**All rates increased by 1% at May 1, 2025 only for Exhibit 1 reporting only*

Administrative expenses

$111,000 (for Exhibit 2 only)

Other Economic Assumptions

Future Increases in maximum benefits and plan compensation limitations

It was assumed that maximum benefits and plan compensation limitations under the Internal Revenue Code will increase 2.50% per year in the future. Plan compensation limitations only apply to participants with a date of participation of May 1, 1996 and later.

Cost of living increases or Consumer Price Index (CPI)

It was assumed that the cost of living or CPI will increase 2.50% per year in the future.

Future Increases in Social Security Taxable Wage Base

It was assumed that the Social Security Taxable Wage Base will increase 3.00% per year in the future.

Demographic Assumptions

Healthy mortality	Base Mortality Table [Male Table used for males; Female Table used for females] 1. Base table: Pub-2010 2. Base mortality table year: 2010 3. Table type: Below Median 4. Healthy or Disabled: Healthy 5. Table weighting: Headcount 6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants (based on Employees table) 7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality 8. Other: Males set back 1 year Mortality Improvement Scale [Male Table used for males; Female Table used for females] 1. Base scale: MP-2018 2. Projection Type: “Generational” 3. Convergence period: N/A 4. Ultimate mortality improvement rate: N/A 5. Pattern during convergence period: N/A
Disabled mortality	None

Retirement

Rates at which participants are assumed to retire by age are shown below:

Age	Rate of Retirement
52-54 *	3%
55-60	4%
61-63	8%
64	10%
65	15%
66-74	20%
75 and older	100%

** Prior Plan participants only*

Disability rates

None

Termination (not due to disability or retirement) rates

Rates at which participants are assumed to terminate by age are shown below:

Age	Rate of Termination
30 - 39	9%
40 - 49	5%
50 - 54	4.5%
55 and older	0%

Marriage

85% of active participants are assumed to be married, with female spouses being three years younger than male spouses.

Additional Assumptions

Form of payment	**For Exhibit 1**: 30% of participants terminating or retiring are assumed to elect an immediate lump sum and 70% are assumed to elect the normal form of payment (life annuity). **For Exhibits 2 and 3**: (1) 50% of participants with a lump sum benefit value up to \$50,000 are assumed to elect an immediate lump sum and 50% are assumed to elect the normal form of payment (life annuity). (2) 100% of participants with a lump sum benefit value greater than \$50,000 are assumed to elect the normal form of payment (life annuity).
Benefit commencement date	
▪ Preretirement death benefit	The later of the death of the active participant or the date the participant would have reached earliest retirement age
▪ Deferred vested benefit	The later of the normal retirement date or termination of employment for those assumed to elect an annuity.
▪ Disability benefit	Normal retirement date
▪ Retirement benefit	Upon termination of employment
Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant
Compensation for plan participants	Compensation assumed paid in the current year beginning on the valuation date is based on the rate of pay as of the valuation date supplied by the District's third party plan administrator, increased by a half year's assumed compensation increase.
Cash flow	
Decrement timing	The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.
Timing of benefit payments	Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.
Funding Policy	MHS's funding policy is to contribute at least the minimum contribution requirement determined under Chapter 112 of the Florida Statues. Contributions are required to be made no less frequently than on a quarterly basis.

Methods

Census date / Valuation date	May 1, 2024
Measurement date for Exhibit 1	April 30, 2025 The Service Cost and Total Pension Liability used for Interest Cost were measured as of May 1, 2024 based on participant data as of the census date and assumptions as of the prior Measurement Date. We are not aware of any significant changes in the plan demographics during the year. The Total Pension Liability used to determine the Net Pension Liability was projected to the end of the year, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.
Asset method	The Fiduciary Net Position is equal to the fair market value of assets at the Measurement Date.
Cost Method	The individual Entry Age Normal Cost Method is used in completing the actuarial valuation described in this report for Alternative Basis results shown in Exhibit 1. Under this method the normal cost is the level percentage of pay contribution that would have been required from age on the valuation date coincident with or next following the date the employee is hired in order to fund the employed participant's retirement, termination, and ancillary benefits if the current plan provisions regarding accrual of benefits had always been in effect. The actuarial accrued liability is the excess of the present value of future benefits over the present value of future normal costs for employed participants and is the present value of all benefits for other participants. The normal cost and actuarial accrued liability for the plan are the sums of the individually computed normal costs and actuarial accrued liabilities for all plan participants.
Amortization method for Exhibit 2	Beginning May 1, 2012, the unfunded liability is amortized on a level dollar basis over the average future working lifetime of active participants (rounded to the nearest whole year). Average future working lifetime is 9 years as of May 1, 2024.

Benefits not Valued

WTW is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information Sources

The District's third party plan administrator, Transamerica, furnished participant data as of May 1, 2024. Information on assets, contributions, and plan provisions was supplied by the plan sponsor. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate

The projection of cash flows used to determine the discount rate assumes that the District continues to fund the plan based on the actuarially determined contributions, calculated annually, and the fund earns a return equal to the long-term expected rate of return on pension plan investments. Using these assumptions, the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments. Therefore, the discount rate is equal to the long-term expected rate of return on pension plan investments.

For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Expected return on plan assets

The long-term expected rate of return on pension plan investments was based on the March 31, 2024 Memorial Healthcare System Pension Return Analysis ("Analysis") dated May 2025 performed by the pension plan's investment consultants. Per the Analysis, the expected return assumption is in-line with a 7% actuarial rate of return once accounting for potential alpha of 25 bps (note that alpha is defined as excess returns due to active management) and the expected return is based on forward-looking market assumptions. With consideration given to the current market conditions driving the results of the Analysis, the long-term expected rate of return on pension plan investments assumption of 7.00% was chosen by the District as of the Measurement Date.

WTW's determination that the 7% assumption does not significantly conflict with what would be reasonable is informed by WTW's April 2025 Expected Return Estimator model and assumes that the target asset allocation remained unchanged from the last Measurement Date (MHS confirmed that the target asset allocation did not change from last year).

The target asset allocation as of the Measurement Date and best estimate of long-term nominal and real rates of return used in the Analysis for each major asset class were provided by the District's investment consultants and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return[1]	Long-Term Expected Real Rate of Return[2]
US Large-Cap Equity	20.0%	7.4%	4.7%
Global Equity	45.0%	7.6%	4.9%
US Aggregate Bond	25.0%	5.2%	2.5%
US High Yield Corporate Bond	5.0%	7.5%	4.8%
US Leveraged Loan	5.0%	6.6%	3.9%
Total	**100.0%**	**7.23%**	

[1] Annual 30-year geometric returns, net of pension plan investment expenses.
[2] Annual 30-year geometric returns excluding inflation and net of pension plan investment expenses.

Rates of increase in compensation	Assumed compensation increases are based on a combination of assumed future (i) cost-of-living increases (CPI), (ii) productivity increases and (iii) promotional increases. CPI increases assumed are as described above. Productivity increases are consistent with the assumed real increases in NAW described above (i.e., increases in assumed NAW less increases in assumed CPI). Promotional increases were based on plan sponsor expectations and a 2024 study of increases received by plan participants for the five-year period May 1, 2020 to May 1, 2024. The new assumed rates were first used in the May 1, 2024 funding valuation and April 30, 2025 GASB 67/68 reporting. The District plans to provide a 1% market adjustment (in addition to other annual compensation increases) for all participants effective on their employment anniversary during 2025. This adjustment was included in the valuation by assuming that pay rates as of May 1, 2025 are equal to the May 1, 2024 pay rate increased by assumed age-related compensation increase plus 1%. This assumption impacts Exhibit 1 only. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
Administrative expenses	Amount equal to prior year's administrative expenses (rounded). We believe that this approach to setting assumed future expenses does not significantly conflict with what would be reasonable because the annual change in amount of administrative expenses has historically been de minimis.

Assumptions Rationale - Significant Demographic Assumptions

Mortality	Healthy and disabled mortality assumptions used are based the assumptions mandated by the State of Florida for local governmental plans with valuation dates on or after January 1, 2016, which requires plans to use the mortality assumption in one of the two latest FRS valuations.
Retirement and Termination	Retirement and termination rates were based on an experience study conducted for the April 30, 2025 measurement date, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. The review of these assumptions was based on five years of experience for the period May 1, 2020 to April 30, 2024. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Sources of Prescribed Methods

The methods used for State of Florida additional actuarial disclosures as described in this appendix, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs) and are required under Chapter 60T-1.0035 of the Florida Administrative Code in order to comply with Section 112.664(1)(a) and 112.664(1)(b) of the Florida Statutes.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation

- The retirement, termination and salary increase rates were updated based on an experience study conducted in 2024.
- Removal of disability decrements since the plan does not provide a disability benefit (disabled participants receive a termination or retirement benefit). Disablement results in 100% vesting and all participants have attained 100% vesting.
- *For Exhibit 1 reporting only:* The salary increase assumption was adjusted to reflect a one-time 1% increase. The 1% additional increase in the salary increase assumption is from May 1, 2024 to May 1, 2025. This 1% adjustment is in additional to the assumed age-related salary increase. After 2025, pay increases are based on the assumed age-graded salary increase assumption without the additional 1%.
- *For Exhibit 1 reporting only:* Update of lump sum take rate assumption from 50% (that was used when there was a $50,000 cap on the lump sum amount) to 30% due to the unlimited lump sum optional form of payment plan change (change in liability due to this assumption change is part of the changes in benefit terms plan change).

Change in methods since prior valuation None

Change in estimation techniques since prior valuation None

Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify

Quantify is the WTW centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.

Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Excel-based Model

An Excel-based model is used to calculate the results under the financial reporting requirements of Section 112.664(1),F.S. The calculations are based on various user specified inputs including liability results and asset values.

The model develops valuation results using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll-forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll-forward, including reflecting any changes in applicable accounting standards.

Expected Return Estimator

The Expected Return Estimator is used to help inform the choice of an expected return assumption (e.g., as one data point to consider) for returns on the assets of the trust for purposes of the interest rate for valuing the actuarial accrued liabilities and normal cost and developing the minimum required contributions shown in Exhibit 2.

The tool depends on the capital market assumptions chosen at the starting date of the simulation. These assumptions reflect currently prevailing capital market conditions, assumed future conditions ("normative conditions"), and the transition from the current conditions to the normative ones.

The assumed normative conditions incorporate a blend of historical capital market data and future expectations. The sources consulted in the determination of normative levels include practitioners in our global actuarial and investment consulting practices, plan sponsors, investment managers, economists, and academics.

The model includes 22 asset classes, and may not have an appropriate classification for every type of asset a plan may hold, or the allocation provided to us by the client may be oversimplified or inaccurate.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

Appendix B: Summary of principal plan provisions

Plan Sponsor

South Broward Hospital District

Effective Date

Established May 1, 1969

Latest plan restatement effective as of May 1, 2015 and latest plan amendment effective August 1, 2024.

Coverage and Participation

Status:	All full-time regular employees hired or rehired prior to November 1, 2011. Any participant as of December 31, 2014 who transfers to South Florida Community Care Network (SFCCN) between January 1, 2015 to September 30, 2015, continues to participate while employed by SFCCN.
Age:	Attained age 21
Service:	One year of Credited Service with 1,000 hours
Entry Date:	First of month coincident with or following meeting above requirements

Credited Service

Completed months of continuous service from date of employment to date of termination. Prior Credited Service of participants re-employed prior to November 1, 2011 is restored, subject to certain conditions.

Compensation

Basic compensation received during a plan year, including 403(b) and Section 125 deferrals, but excluding overtime, bonuses or other special compensation.

Average Compensation (Annual)

Average compensation during the highest consecutive 60-month period in the last 120 months preceding retirement or termination multiplied by 12.

Social Security Taxable Wage Base

The contribution and benefit base (as determined under Section 230 of the United States Social Security Act) in effect as of the first day of the plan year of benefit determination.

Normal Retirement Dates

For employees hired prior to May 1, 2010, the earliest of the following:

- Attainment of age 65 with 5 years of Credited Service
- Attainment of age 62 with 20 years of Credited Service
- Attainment of age 55 with 30 years of Credited Service

For employees hired or non-vested rehires on or after May 1, 2010 and prior to November 1, 2011:

- Attainment of age 65 with 5 years of Credited Service

Early Retirement Dates

First of the month (after termination of employment) coincident with or following attainment of age 55 and completion of 10 years of Credited Service.

For participants hired prior to May 1, 2010 the earliest of the above or the first of the month coincident with or following attainment of age 52 and completion of 20 years of Credited Service.

Late Retirement Dates

First of the month (after termination of employment) following Normal Retirement Date.

Normal Retirement Benefits (Annual)

<u>Prior Plan (for participants hired prior to May 1, 2010)</u>:
3.0% x Credited Service x Average Compensation over $203,290; plus
1.5% x Credited Service x Average Compensation over $84,520 and not more than $203,290; plus
1.0% x Credited Service x Average Compensation up to $84,520.

(The $84,520 and $203,290 integration levels apply for the 2024/2025 plan year and increase annually by 3% per year and are rounded to the nearest $5.)

<u>New Plan (for participants hired on or after May 1, 2010 and prior to November 1, 2011):</u>
1.75% x Credited Service x Average Compensation over the Social Security Taxable Wage Base; plus
1.25% x Credited Service x Average Compensation over one-half of the Social Security Taxable Wage Base but not more than the Social Security Taxable Wage Base; plus
0.75% x Credited Service x Average Compensation up to one-half of the Social Security Taxable Wage base.

The minimum annual benefit is $2,400 per year for the Prior Plan and New Plan.

Early Retirement Benefit (Annual)

Accrued normal retirement benefit reduced by 0.6% for each of the first 60 months early retirement precedes normal retirement and by 0.3% for each of the next 60 months that early retirement precedes normal retirement.

Late Retirement Benefit (Annual)

Based on Credited Service and Average Compensation up to actual retirement date.

Termination of Employment

Eligibility: Vesting in accordance with the following schedule:

Years of Credited Service	Vested Percentage
Less than 5	0%
5 or more	100%

Annual Benefit: Accrued annual benefit at date of termination times vested percentage. Payments begin at Normal Retirement Date. Reduced monthly benefits before Normal Retirement Date are available upon meeting requirements for early retirement.

Disability Retirement Benefit

Eligibility: 100% vesting of benefits upon total and permanent disability. Total and permanent disability will be deemed to occur if the participant is eligible for Social Security disability benefits.

Annual Benefit: Accrued normal retirement benefit payable as early as disability date, subject to actuarial reduction if benefit starts prior to Normal Retirement.

Death Benefit

<u>Pre-Retirement</u>

Benefit for life, beginning when participant would have been eligible to retire, payable to the surviving spouse of a deceased participant who has attained age 55 with 10 years of Credited Service or who has completed 20 years of Credited Service regardless of age, determined under the joint and 50% contingent form of payment.

<u>Post-Retirement</u>

Benefit pursuant to the option elected.

Normal Form of Payment

Monthly annuity payable for life commencing at Normal Retirement Date.

Optional Forms

Preretirement death benefits are payable only as described above. All other monthly pension benefits are paid under the Normal Form of Payment. Optional forms of payment are a 50% or 100% joint and survivor annuity, a ten-year or twenty-year certain and life annuity, or a lump sum. Effective August 1, 2024, the plan was amended to remove the $50,000 celing on optional lump sums.

Employee Contributions

None.

Employer Contributions

Amounts necessary to satisfy the funding requirements of the plan.

Amendments or Changes in Plan Provisions from Previous Valuation

Plan was amended effective August 1, 2024 to remove the $50,000 ceiling on the optional lump sum form of payment and the impact of this change is reflected in Exhibit 1 only.