

August 28, 2024

Ms. Jennifer Gula  
Director of Finance & Treasurer  
City of Pittsburgh  
1<sup>st</sup> Floor City County Building  
414 Grant Street  
Pittsburgh, PA 15219

**RE: City of Pittsburgh Firemen's Relief and Pension Fund  
Certification of 2025 Minimum Municipal Obligation**

Dear Ms. Gula:

Pursuant to Section 304 of Act 205, it is the responsibility of the Chief Administrative Officer of the pension plan to certify to the governing board of the municipality the 2025 Minimum Municipal Obligation (MMO). Such certification must be made by the last business day of September, 2024. To this end, we have prepared the enclosed two-page certification package of the plan's 2025 MMO for your signature.

The first page of this package is a draft of a memorandum for your use in the transmittal of such certification to the governing board. Please complete on your municipal stationery.

The second page details the determination of the 2025 Minimum Municipal Obligation. To complete this page, you must enter the total 2024 W-2 payroll for members on line 1. This amount should include the actual W-2 payroll to the pay period preceding the certification, plus the payroll for active members of the plan projected to the year's end using payroll rates in effect as of the date of determination. We have entered the total administrative expenses for 2025, estimated based on recent experience, on line 5. Please keep in mind that if administrative expenses are budgeted on the MMO, then plan expenses should be paid from the pension plan assets, not from the municipality's general fund. If administrative expenses are not budgeted on the MMO, then plan expenses should be paid from the municipality's general fund, not from the pension plan assets. The remaining line items (3, 6, 7 and 9) should be completed using the instructions on the page.

You will note that General Municipal Pension System State Aid (GMPSSA) is not deducted from the Minimum Municipal Obligation. This amount can be included as part or all of the amount necessary to satisfy the MMO. Based on an estimated State Aid unit value of \$5,200 and assuming that the number of units is the same as those based on the active members as of January 1, 2024 for this plan only, the estimated amount of GMPSSA you can expect to receive is \$6,957,600. You may receive additional GMPSSA as a result of members of other plans sponsored by the municipality. The allocation of aggregate GMPSSA monies to plans is a matter for the municipality to decide; however, you may not budget an amount of GMPSSA which is greater than your Minimum Municipal Obligation for all plans.

Act 205 requires that the Municipality contribute at least the Minimum Municipal Obligation to the Plan. Please remember that this is the “minimum required contribution” and that the municipality can contribute more than that amount. Any contributions made above the MMO level will fund the Plan more quickly and will lower future contribution requirements.


If any portion of the MMO is contributed after December 31, 2025, Act 205 requires that such amount be adjusted to include interest from January 1, 2025 to the date paid at the actuarial valuation interest rate. While there is no Act 205 requirement to interest adjust contributions made before December 31, 2025, we strongly recommend that you adjust these amounts for interest from January 1<sup>st</sup> to the date of payment at the actuarial valuation interest rate. Failure to do so will result in an actuarial loss of that same amount resulting in increased future contribution requirements. We are prepared to assist you in making any interest adjustments upon request.

Please note that the total amount deposited to all plans may not be less than the GMPSSA.

Once the certification has been made to the governing board of the municipality, please forward a signed and dated copy to our office.

If you have any questions about the memorandum or the MMO certification, please call at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Jason L. Franken". The signature is fluid and cursive, with a long horizontal line extending to the right.

Jason L. Franken, FSA, EA, MAAA  
Authorized Principal  
jason.franken@foster-foster.com

JLF/kdc  
Attachments

**(SAMPLE MEMO TO NOTIFY GOVERNING BOARD)**

September \_\_\_\_, 2024 (or earlier)

SUBJECT: 2025 Minimum Municipal Obligation

For the \_\_\_\_\_ Pension Plan

TO: \_\_\_\_\_  
GOVERNING BOARD

FROM: \_\_\_\_\_, Chief Administrative Officer  
NAME

Act 205 of 1984 requires that the "chief administrative officer" of the pension plan inform the "governing board" of the municipality of the Minimum Municipal Obligation for the following year by the last business day in September. This memo, provided under the guidance of Foster & Foster (our plan's actuary), is intended to satisfy this legal requirement. Questions on our pension costs can either be addressed to me or Foster & Foster at 630-620-0200.

The calculation of the 2025 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2025 Minimum Municipal Obligation certification details this determination.

**CITY OF PITTSBURGH  
FIREMEN'S RELIEF AND PENSION FUND  
WORKSHEET FOR 2025 MMO**

1. TOTAL ANNUAL PAYROLL (W-2 payroll for 2024)	\$84,129,777
2. TOTAL NORMAL COST PERCENTAGE	19.30%
3. TOTAL NORMAL COST (Item 1 x Item 2)	\$16,237,047
4. TOTAL AMORTIZATION REQUIREMENT	\$15,892,282
5. TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$ 810,166
6. TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$32,939,495
7. TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$ 5,579,953
8. FUNDING ADJUSTMENT	\$ 0
9. MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$27,359,542



\_\_\_\_\_  
Signature of Chief Administrative Officer

\_\_\_\_\_  
Date Certified to Governing Body

**Note: The 2025 Minimum Municipal Obligation is based on the most recent Actuarial Valuation Report on January 1, 2023.**

August 28, 2024

Ms. Jennifer Gula  
Director of Finance & Treasurer  
City of Pittsburgh  
1<sup>st</sup> Floor City County Building  
414 Grant Street  
Pittsburgh, PA 15219

**RE: City of Pittsburgh Municipal Pension Fund  
Certification of 2025 Minimum Municipal Obligation**

Dear Ms. Gula:

Pursuant to Section 304 of Act 205, it is the responsibility of the Chief Administrative Officer of the pension plan to certify to the governing board of the municipality the 2025 Minimum Municipal Obligation (MMO). Such certification must be made by the last business day of September, 2024. To this end, we have prepared the enclosed two-page certification package of the plan's 2025 MMO for your signature.

The first page of this package is a draft of a memorandum for your use in the transmittal of such certification to the governing board. Please complete on your municipal stationery.

The second page details the determination of the 2025 Minimum Municipal Obligation. To complete this page, you must enter the total 2024 W-2 payroll for members on line 1. This amount should include the actual W-2 payroll to the pay period preceding the certification, plus the payroll for active members of the plan projected to the year's end using payroll rates in effect as of the date of determination. We have entered the total administrative expenses for 2025, estimated based on recent experience, on line 5. Please keep in mind that if administrative expenses are budgeted on the MMO, then plan expenses should be paid from the pension plan assets, not from the municipality's general fund. If administrative expenses are not budgeted on the MMO, then plan expenses should be paid from the municipality's general fund, not from the pension plan assets. The remaining line items (3, 6, 7 and 9) should be completed using the instructions on the page.

You will note that General Municipal Pension System State Aid (GMPSSA) is not deducted from the Minimum Municipal Obligation. This amount can be included as part or all of the amount necessary to satisfy the MMO. Based on an estimated State Aid unit value of \$5,200 and assuming that the number of units is the same as those based on the active members as of January 1, 2024 for this plan only, the estimated amount of GMPSSA you can expect to receive is \$9,344,400. You may receive additional GMPSSA as a result of members of other plans sponsored by the municipality. The allocation of aggregate GMPSSA monies to plans is a matter for the municipality to decide; however, you may not budget an amount of GMPSSA which is greater than your Minimum Municipal Obligation for all plans.

Act 205 requires that the Municipality contribute at least the Minimum Municipal Obligation to the Plan. Please remember that this is the “minimum required contribution” and that the municipality can contribute more than that amount. Any contributions made above the MMO level will fund the Plan more quickly and will lower future contribution requirements.

If any portion of the MMO is contributed after December 31, 2025, Act 205 requires that such amount be adjusted to include interest from January 1, 2025 to the date paid at the actuarial valuation interest rate. While there is no Act 205 requirement to interest adjust contributions made before December 31, 2025, we strongly recommend that you adjust these amounts for interest from January 1<sup>st</sup> to the date of payment at the actuarial valuation interest rate. Failure to do so will result in an actuarial loss of that same amount resulting in increased future contribution requirements. We are prepared to assist you in making any interest adjustments upon request.

Please note that the total amount deposited to all plans may not be less than the GMPSSA.

Once the certification has been made to the governing board of the municipality, please forward a signed and dated copy to our office.

If you have any questions about the memorandum or the MMO certification, please call at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Jason L. Franken". The signature is fluid and cursive, with a long horizontal line extending to the right.

Jason L. Franken, FSA, EA, MAAA  
Authorized Principal  
jason.franken@foster-foster.com

JLF/kdc  
Attachments

**(SAMPLE MEMO TO NOTIFY GOVERNING BOARD)**

September \_\_\_\_, 2024 (or earlier)

SUBJECT: 2025 Minimum Municipal Obligation

For the \_\_\_\_\_ Pension Plan

TO: \_\_\_\_\_  
GOVERNING BOARD

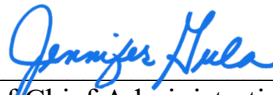
FROM: \_\_\_\_\_, Chief Administrative Officer  
NAME

Act 205 of 1984 requires that the "chief administrative officer" of the pension plan inform the "governing board" of the municipality of the Minimum Municipal Obligation for the following year by the last business day in September. This memo, provided under the guidance of Foster & Foster (our plan's actuary), is intended to satisfy this legal requirement. Questions on our pension costs can either be addressed to me or Foster & Foster at 630-620-0200.

The calculation of the 2025 Minimum Municipal Obligation requires several assumptions relating to projected payroll. The attached 2025 Minimum Municipal Obligation certification details this determination.

**CITY OF PITTSBURGH  
MUNICIPAL PENSION FUND  
WORKSHEET FOR 2025 MMO**

1. TOTAL ANNUAL PAYROLL (W-2 payroll for 2024)	\$142,046,971
2. TOTAL NORMAL COST PERCENTAGE	9.31%
3. TOTAL NORMAL COST (Item 1 x Item 2)	\$ 13,224,573
4. TOTAL AMORTIZATION REQUIREMENT	\$ 7,443,574
5. TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$ 737,515
6. TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$ 21,405,662
7. TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$ 6,125,688
8. FUNDING ADJUSTMENT	\$ 0
9. MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$ 15,279,974



\_\_\_\_\_  
Signature of Chief Administrative Officer

\_\_\_\_\_  
Date Certified to Governing Body

**Note: The 2025 Minimum Municipal Obligation is based on the most recent Actuarial Valuation Report on January 1, 2023.**



August 28, 2024

Ms. Jennifer Gula  
Director of Finance & Treasurer  
City of Pittsburgh  
1<sup>st</sup> Floor City County Building  
414 Grant Street  
Pittsburgh, PA 15219

**RE: City of Pittsburgh Policemen's Relief and Pension Fund  
Certification of 2025 Minimum Municipal Obligation**

Dear Ms. Gula:

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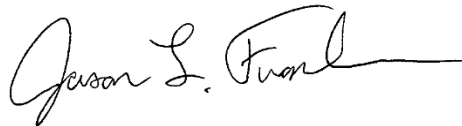
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If you have any questions about the memorandum or the MMO certification, please call at your earliest convenience.

Sincerely,

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Jason L. Franken, FSA, EA, MAAA  
Authorized Principal  
jason.franken@foster-foster.com

JLF/kdc  
Attachments

**(SAMPLE MEMO TO NOTIFY GOVERNING BOARD)**

September \_\_\_\_, 2024 (or earlier)

SUBJECT: 2025 Minimum Municipal Obligation

For the \_\_\_\_\_ Pension Plan

TO: \_\_\_\_\_  
GOVERNING BOARD

FROM: \_\_\_\_\_, Chief Administrative Officer  
NAME

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**CITY OF PITTSBURGH  
POLICEMEN'S RELIEF AND PENSION FUND  
WORKSHEET FOR 2025 MMO**

1. TOTAL ANNUAL PAYROLL (W-2 payroll for 2024)	\$104,470,221
2. TOTAL NORMAL COST PERCENTAGE	9.00%
3. TOTAL NORMAL COST (Item 1 x Item 2)	\$ 9,402,320
4. TOTAL AMORTIZATION REQUIREMENT	\$ 1,822,527
5. TOTAL ADMINISTRATIVE EXPENSES (Estimated based on recent experience)	\$ 847,115
6. TOTAL FINANCIAL REQUIREMENTS (Item 3 + Item 4 + Item 5)	\$ 12,071,962
7. TOTAL MEMBER CONTRIBUTIONS (Member Contribution Rate x Item 1)	\$ 5,991,573
8. FUNDING ADJUSTMENT	\$ 0
9. MINIMUM MUNICIPAL OBLIGATION (Item 6 - Item 7 - Item 8)	\$ 6,080,389



\_\_\_\_\_  
Signature of Chief Administrative Officer

\_\_\_\_\_  
Date Certified to Governing Body

**Note: The 2025 Minimum Municipal Obligation is based on the most recent Actuarial Valuation Report on January 1, 2023.**