City of Phoenix Employees' Retirement System

GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions
June 30, 2020

GRS

Executive Summary
as of June 30, 2020

(Amounts in Thousands)

		2020
Actuarial Valuation Date		June 30, 2020
Measurement Date of the Net Pension Liability		June 30, 2020
Employer's Fiscal Year Ending Date (Reporting Date)		June 30, 2020

Membership

Number of		
- Retirees and Beneficiaries		7,502
- Inactive, Nonretired Members		1,033
- Active Members		8,027
- Total		16,562
Covered Payroll	$	568,089

Net Pension Liability

Total Pension Liability	$	4,414,114
Plan Fiduciary Net Position		2,681,173
Net Pension Liability	$	1,732,941
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		60.74 %
Net Pension Liability as a Percentage of Covered Payroll		305.05 %

Development of the Single Discount Rate

Single Discount Rate	7.00 %
Long-Term Expected Rate of Investment Return	7.00 %
Long-Term Municipal Bond Rate*	2.45 %
Last year ending June 30 in the 2021 to 2120 projection period for which projected benefit payments are fully funded	2120

Total Pension Expense $ 160,140

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference between expected and actual experience	$	23,707	$	79,272
Changes in assumptions		484		49,909
Net difference between projected and actual earnings on pension plan investments		139,823		16,673
Total	$	164,014	$	145,854

*Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2020. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.