

Goals for Pension Funding Working Group Voluntary Funding Soundness Restoration Plan (V-FSRP)

1. **Benefit security:** Ensuring the Fund has sufficient assets to preserve the ability to pay promised benefits; thereby providing our members with a clear path to achieving retirement security. Our members do not participate in Social Security and AFRF benefits are the only source of retirement income that they have.
2. **Benefit adequacy:** Ensuring the Fund delivers an adequate level of benefits to our members, so they have a decent standard of living in retirement.
3. **Cost of Living Adjustment (COLA):** Striving to provide COLAs to provide purchasing power protection to retirees to ensure continued benefit adequacy while acknowledging the potential need for adjustments under exceptional circumstances. The Fund has had a well-developed and articulated COLA policy to self-regulate.
4. **Equitable contribution and benefit arrangement across the three Austin systems:**
In considering pension reform, recognizing that:
 - AFRF has a history of managing the funding health of the plan extremely responsibly. The Fund should be recognized for its good stewardship and not be penalized. In fact, the Fund has a long history of the Board and its active and retired members jointly cooperating to take appropriate action when needed, including increasing member contributions significantly, foregoing COLAs for over a decade, and adopting a responsible COLA policy that has resulted in the discontinuance of COLAs at current funding levels.
 - Unlike the members of the other two systems, AFRF members do not participate in Social Security, and any reforms should consider this key difference.
5. **Actuarially Determined Pension Funding Commitment:** Ensuring that all benefits for current and future members are consistently and adequately funded through an actuarial determination of required City contributions. Any actuarially determined funding for City contributions should include appropriate determination of the portion of the liability that represents the “legacy liability.”
6. **Fund Sustainability:** Continue the almost 50-year history of active and retired members and the plan sponsor sharing in the burden of ensuring Fund sustainability.
7. **Board Composition:** Continued recognition of the stewardship and commitment to the Fund by the membership through maintaining a member-majority board while recognizing the need for significant City representation by allowing the mayoral position to be filled by either the mayor or a mayoral designee.