

AFRF Facts

Annual Fact Sheet
Year 2023

Austin Firefighters Retirement Fund



The Austin Firefighters Retirement Fund (AFRF or the Fund) was first established in **1937**. A governing statute specific to AFRF was established in **1975**. The Fund was among the first standalone pension systems for emergency responders approved by the Legislature.

2022 Actuarial and Investment Update

- The Fund is actuarially unsound with an amortization period of 35.7 years, which is outside of the PRB's 30-year Funding Guideline.

Actuarial Accrued Liabilities	\$1.3 billion
Market Value of Assets	\$1.1 billion
Funded Ratio	86.9%
Amortization Period	35.7 years
Investment Return Assumption	7.30%
Actual Investment Return	-10.8 %
Fund Exhaustion Date	N/A

- Despite a significant increase in the amortization period, AFRF's funded ratio remains strong at 86.9% and exceeds both Texas and National averages.
- The Fund decreased its assumed rate of return from 7.75% to 7.30% over a period of seven years from 2014-2020. AFRF produced a negative investment return of -10.8% in 2022 and ranked in the second quartile of its peer group.
- AFRF is proactive about funding the plan responsibly. Active member/employee contribution to the Fund is the second highest in the state at 18.70% of pay.

City of Austin General Fund

Under the FY 2024 approved budget, the City of Austin's total pension contribution to the three employee retirement systems (general, police, and fire) will be 21.21% of the City's General Fund. The city's contribution to the Fire pension fund only represents 1.84% of its General Fund.



Membership

1199 Active
979 Annuitants

There are 1199 active firefighters and 979 retired firefighters and beneficiaries that participate in the Fund, as of December 2022.



Board of Trustees

5 Members

The Mayor of Austin and the City Treasurer are statutorily required to serve on the Board, ensuring oversight of the Fund for Austin taxpayers. Three Trustees are elected to represent the firefighters.



Contributions

18.70% Employee
22.05% Employer

Pension spiking is not allowed since overtime pay is not calculated in pension benefits.

Social Security

The City of Austin firefighters **do not** participate in Social Security and do not receive Social Security benefits. AFRF is their only source of retirement income.

Cost-of-Living Adjustment

The Fund does not mandate an automatic cost-of-living adjustment (COLA).

Pension Review Board

The Fund follows all Pension Review Board (PRB) guidelines and requirements. The Fund recently received a Funding Soundness Restoration Plan (FSRP) "At Risk" letter from the PRB. In response to the FSRP notification, the AFRF Board created the "Pension Funding Working Group" to assess the current financial health of the plan, project any future funding concerns, and to keep the membership apprised of the situation. The Board is dedicated to restoring and preserving the long-term financial health of the Fund. The Fund has also hired an outside consultant to conduct the Investment Performance Evaluation of its investment program.