

AFRRF Facts

Annual Fact Sheet
Year 2022

Austin Fire Fighters Relief and Retirement Fund



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

2021 Actuarial Valuation

- The Fund is actuarially sound with an amortization period of 17.5 years, which is well within the PRB's Funding Guidelines. With a low amortization period, AFRRF is in the cohort of 38 out of 100 Texas defined benefit plans with an amortization period in the range of 10-25 years.

Actuarial Accrued Liabilities	\$1.3 billion
Actuarial Value of Assets	\$1.1 billion
Funded Ratio	89.6%
Amortization Period	17.5 years
Investment Return Assumption	7.30%
Actual Investment Return	17.50 %
Fund Exhaustion Date	N/A

- AFRRF is one of the best funded plans in Texas with a funded ratio of 89.6%, which 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. AFRRF produced a positive investment return of 17.50% in 2021 and ranked in the top 10th percentile of its peer group.
- AFRRF is proactive about funding the plan responsibly. Total actual contributions to the Fund exceed the actuarially recommended contributions.

City of Austin General Fund

Under the FY 2023 approved budget, the City of Austin's total pension contribution to the three employee retirement systems (general, police, and fire) will be 19.59% of the City's General Fund. The city's contribution to the Fire pension fund only represents 1.93% of its General Fund.



Membership

1175 Active
924 Annuitants

There are 1,175 active firefighters and 924 retired firefighters and beneficiaries that participate in the Fund, as of December 2021.



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. AFRRF 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 and takes all recommendations made by the PRB seriously. For example, under the behest of the PRB, the Fund developed a Funding Policy with a goal to continue to focus on its long-term financial health. The Fund also conducted the Investment Performance Evaluation of its investment program and had no major findings. The Fund is among the few retirement systems in the state that are 100% compliant with PRB's trustee training requirements.