



# Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report  
December 31, 2018 - Madison Heights City of (6308)



Spring, 2019

Madison Heights City of

In care of:  
Municipal Employees' Retirement System of Michigan  
1134 Municipal Way  
Lansing, Michigan 48917

This report presents the results of the Annual Actuarial Valuation, prepared for Madison Heights City of (6308) as of December 31, 2018. The report includes the determination of liabilities and contribution rates resulting from the participation in the Municipal Employees' Retirement System of Michigan ("MERS"). This report contains the minimum actuarially determined contribution requirement, in alignment with the MERS Plan Document, Actuarial Policy, and the Michigan Constitution and governing statutes. Madison Heights City of is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees.

The purposes of this valuation are to:

- Measure funding progress as of December 31, 2018,
- Establish contribution requirements for the fiscal year beginning July 1, 2020,
- Provide information regarding the identification and assessment of risk,
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements, and
- Provide information to assist the local unit of government with state reporting requirements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through December 31, 2018. The valuation was based upon information furnished by MERS concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by MERS.

The Municipal Employees' Retirement Act, PA 427 of 1984 and the MERS' Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. As the fiduciary of the plan, MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are checked regularly through a comprehensive study, called an Experience Study. The most recent study was completed in 2015, as prepared by the prior actuary, and is the basis of the assumptions and methods currently in place. **At the February 28, 2019 board meeting, the MERS Retirement Board adopted new economic assumptions effective with the December 31, 2019 annual actuarial valuation, which will impact contributions beginning in 2021.** An illustration of the potential impact is found in this report.

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202 reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found at the end of this report for information for this filing.

For a full list of all the assumptions used, please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:  
<http://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2018AnnualActuarialValuation-Appendix.pdf>.

**The actuarial assumptions used for this valuation are reasonable for purposes of the measurement.**

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of Madison Heights City of as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

David T. Kausch, Rebecca L. Stouffer, and Mark Buis are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor. GRS maintains independent consulting agreements with certain local units of government for services unrelated to the actuarial consulting services provided in this report.

The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

This information is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting or investment advice.



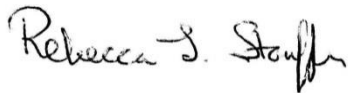
This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible for the consequences of any unauthorized use. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS (6377).

Sincerely,



David T. Kausch, FSA, FCA, EA, MAAA



Rebecca L. Stouffer, ASA, FCA, MAAA



Mark Buis, FSA, FCA, EA, MAAA



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# Executive Summary

## Funded Ratio

The funded ratio of a plan is the percentage of the dollar value of the actuarial accrued liability that is covered by the actuarial value of assets. While funding ratio may be a useful plan measurement, understanding a plan's funding trend may be more important than a particular point in time. Refer to Table 7 to find a history of this information.

	12/31/2018	12/31/2017
Funded Ratio*	100%	105%

\* Reflects assets from Surplus divisions, if any.

There has been a change in actuary and actuarial software since the December 31, 2017 valuation. Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS's technology service provider.

## Required Employer Contributions:

Your required employer contributions are shown in the following table. Employee contributions, if any, are in addition to the employer contributions. Changes to the actuarial assumptions and methods based on the 2015 Experience Study are phased-in over a 5-year period. This valuation reflects the fourth year of the phase-in.

Your minimum required contribution is the amount in the “Phase-in” columns. By default, MERS will invoice you the phased-in contribution amount, but strongly encourages you to contribute more than the minimum required contribution. If you requested and have been billed using No Phase-in rates, your 2019 rates will continue to use the No Phase-in method. If you have been billed using the Phased-in rates and wish to change to rates based on No Phase-in, please contact MERS.

	Percentage of Payroll				Monthly \$ Based on Projected Payroll			
	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in
Valuation Date:	12/31/2018	12/31/2018	12/31/2017	12/31/2017	12/31/2018	12/31/2018	12/31/2017	12/31/2017
Fiscal Year Beginning:	July 1, 2020	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2020	July 1, 2020	July 1, 2019	July 1, 2019
<b>Division</b>								
01 - Non-Union and Department Heads	-	-	-	-	\$ 7,896	\$ 7,896	\$ 6,570	\$ 6,570
10 - Gnrl Crth	-	-	-	-	896	896	936	936
11 - Dept of Public Svcs TPOAM	-	-	-	-	4,168	4,168	3,527	3,527
12 - AFSCME	-	-	-	-	4,433	4,433	1,213	1,213
13 - Cler Tmst	-	-	-	-	2,775	2,775	3,308	3,308
14 - Disptchrs	-	-	-	-	1,278	1,278	1,684	1,684
<b>Municipality Total</b>					<b>\$ 21,446</b>	<b>\$ 21,446</b>	<b>\$ 17,238</b>	<b>\$ 17,238</b>

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2018	12/31/2017
<b>Division</b>		
01 - Non-Union and Department Heads	2.50%	2.50%
10 - Gnrl Crth	5.54%	5.54%
11 - Dept of Public Svcs TPOAM	4.84%	4.84%
12 - AFSCME	4.94%	4.94%
13 - Cler Tmst	2.50%	2.50%
14 - Disptchrs	2.50%	2.50%

The employer may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements. Employers making contributions in excess of the minimum requirements may elect to apply the excess contribution immediately to a particular division, or segregate the excess into one or more of what MERS calls “Surplus” divisions. An election in the first case would immediately reduce any unfunded accrued liability and lower the amortization payments throughout the remaining amortization period. An election to set up Surplus divisions would not immediately lower future contributions, however the assets from the Surplus division could be transferred to an unfunded division in the future to reduce the unfunded liability in future years, or to be used to pay all or a portion of the minimum required contribution in a future year. For purposes of this report, the assets in any Surplus division have been included in the municipality’s total assets, unfunded accrued liability and funded status, however, these assets are not used in calculating the minimum required contribution.

**MERS strongly encourages employers to contribute more than the minimum contribution shown above.**

### **How and Why Do These Numbers Change?**

In a defined benefit plan contributions vary from one annual actuarial valuation to the next as a result of the following:

- Changes in benefit provisions (see Table 2)
- Changes in actuarial assumptions and methods (see the Appendix)
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions.

### **Comments on Investment Rate of Return Assumption**

A defined benefit plan is funded by employer contributions, participant contributions, and investment earnings. Investment earnings have historically provided **more than half** of the funding. The larger the share of benefits being provided from investment returns, the smaller the required contributions, and vice versa. Determining the contributions required to prefund the promised retirement benefits requires an assumption of what investment earnings are expected to add to the fund over a long period of time. This is called the **Investment Return Assumption**.

The MERS Investment Return Assumption is **7.75%** per year. This, along with all of our other actuarial assumptions, is reviewed at least every five years in an Experience Study that compares the assumptions used against actual experience and recommends adjustments if necessary. If your municipality would like to explore contributions at lower assumed investment return assumptions, please review the “what if” projection scenarios later in this report.



## Assumption Change in 2019

At the February 28, 2019 board meeting, the MERS Retirement Board adjusted key economic assumptions. These assumptions, in particular the investment return assumption, have a significant effect on a plan's required contribution and funding level. Historically low interest rates, along with high equity market valuations, have led to reductions in projected returns for most asset classes. This has resulted in a Board adopted reduction in the investment rate of return assumption to 7.35%, effective with the December 31, 2019 valuation first impacting 2021 contributions. The Board also changed the assumed rate of wage inflation from 3.75% to 3.00%, with the same effective date. This report includes a "What If" scenario of 7.35%/3.00% in order to show the potential impact of this assumption change.

## Comments on Asset Smoothing

To avoid dramatic spikes and dips in annual contribution requirements due to short term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. The (smoothed) **actuarial rate of return for 2018 was 3.80%, while the actual market rate of return was (4.12)%**. To see historical details of the market rate of return, compared to the smoothed actuarial rate of return, refer to this report's Appendix, or view the "[How Smoothing Works](#)" video on the [Defined Benefit resource page](#) of the MERS website.

As of December 31, 2018 the actuarial value of assets is 110% of market value due to asset smoothing. This means that meeting the actuarial assumption in the next few years will require average annual market returns that exceed the 7.75% investment return assumption, or contribution requirements will continue to increase.

If the December 31, 2018 valuation results were based on market value instead of actuarial value:

- The funded percent of your entire municipality would be 92% (instead of 100%); and
- Your total employer contribution requirement for the fiscal year starting July 1, 2020 would be \$753,696 (instead of \$257,352)

## Alternate Scenarios to Estimate the Potential Volatility of Results ("What If Scenarios")

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

- Open divisions that have substantial assets compared to their active employee payroll will have more volatile employer contribution rates due to investment return fluctuations.
- Open divisions that have substantial accrued liability compared to their active employee payroll will have more volatile employer contribution rates due to demographic experience fluctuations.
- Small divisions will have more volatile contribution patterns than larger divisions because statistical fluctuations are relatively larger among small populations.
- Shorter amortization periods result in more volatile contribution patterns.

Many assumptions are important in determining the required employer contributions. In the following table, we show the impact of varying the Investment Return assumption and the Wage Inflation assumption. Lower investment returns would result in higher required employer contributions, and vice-versa. Lower wage inflation generally results in lower required employer contributions as a dollar amount in the long run, and vice versa.

The relative impact of each economic scenario below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2018 valuation, and are for the municipality in total, not by division. These results do not reflect a 5-year phase in of the impact of the new actuarial assumptions.

It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size. Projections are not predictions. Future valuations will be based on actual future experience.

**The Retirement Board has adopted a change to the Investment Return Assumption from 7.75% to 7.35%, and the wage inflation from 3.75% to 3.00%. This change will be effective in the December 31, 2019 valuation which will impact the Fiscal Year 2021 contribution. The scenario shown using these assumptions as of December 31, 2018 is illustrative only. The actual impact of this change when reflected in the 2019 valuation will be different.**

12/31/2018 Valuation Results	Assumed Future Annual Smoothed Rate of Investment Return		
	Lower Future Annual Returns	Adopted 2019 Assumption	Valuation Assumptions
<b>Investment Return Assumption</b>	<b>5.75%</b>	<b>7.35%</b>	<b>7.75%</b>
<b>Wage Increase Assumption</b>	<b>3.75%</b>	<b>3.00%</b>	<b>3.75%</b>
Accrued Liability	\$ 50,343,172	\$ 42,811,964	\$ 41,456,483
Valuation Assets <sup>1</sup>	\$ 41,651,694	\$ 41,651,694	\$ 41,651,694
Unfunded Accrued Liability	\$ 8,691,478	\$ 1,160,270	\$ (195,211)
<b>Funded Ratio</b>	<b>83%</b>	<b>97%</b>	<b>100%</b>
Monthly Normal Cost	\$ 26,419	\$ 14,285	\$ 14,493
Monthly Amortization Payment	\$ 90,533	\$ 21,320	\$ 6,953
<b>Total Employer Contribution<sup>2</sup></b>	<b>\$ 116,952</b>	<b>\$ 35,605</b>	<b>\$ 21,446</b>

<sup>1</sup> The Valuation Assets include assets from Surplus divisions, if any.

<sup>2</sup> If assets exceed accrued liabilities for a division, the division may have an overfunding credit to reduce the division's employer contribution requirement. If the overfunding credit is larger than the normal cost, the division's full credit is included in the municipality's amortization payment above but the division's total contribution requirement is zero. This can cause the displayed normal cost and amortization payment to not add up to the displayed total employer contribution.

## Projection Scenarios

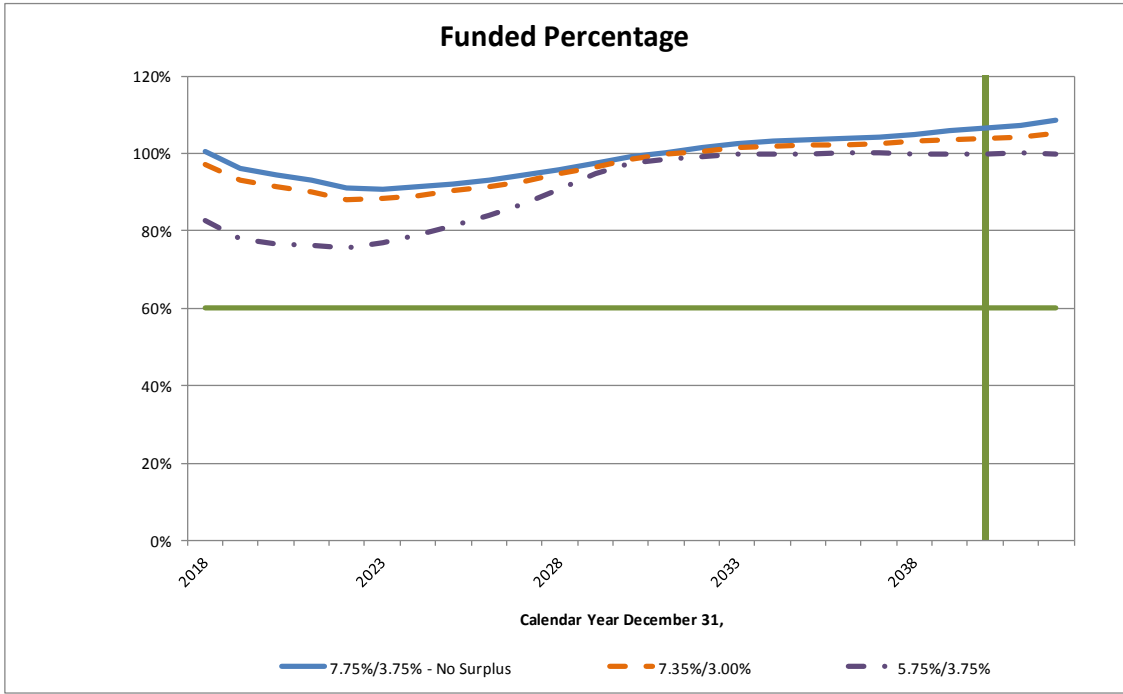
The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate economic scenarios. All three projections take into account the past investment losses that will continue to affect the actuarial rate of return in the short term.

The 7.75%/3.75% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 7.75% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively, and make contributions in addition to the minimum requirements. The 7.35%/3.00% and 5.75%/3.75% projections provide an indication of the potential required employer contribution if these assumptions were met over the long-term.

Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets <sup>2</sup>	Funded Percentage	Computed Annual Employer Contribution
<b>7.75%<sup>1</sup>/3.75%</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2018	2020	\$ 41,456,483	\$ 41,651,694	100%	\$ 257,352
2019	2021	\$ 41,800,000	\$ 40,200,000	96%	\$ 445,000
2020	2022	\$ 41,900,000	\$ 39,600,000	95%	\$ 521,000
2021	2023	\$ 41,900,000	\$ 39,000,000	93%	\$ 611,000
2022	2024	\$ 41,900,000	\$ 38,100,000	91%	\$ 727,000
2023	2025	\$ 41,800,000	\$ 37,900,000	91%	\$ 768,000
<b>7.35%<sup>1</sup>/3.00%</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2018	2020	\$ 42,811,964	\$ 41,651,694	97%	\$ 427,260
2019	2021	\$ 43,000,000	\$ 40,000,000	93%	\$ 620,000
2020	2022	\$ 43,100,000	\$ 39,400,000	91%	\$ 698,000
2021	2023	\$ 43,100,000	\$ 38,800,000	90%	\$ 790,000
2022	2024	\$ 43,000,000	\$ 37,900,000	88%	\$ 909,000
2023	2025	\$ 42,700,000	\$ 37,700,000	88%	\$ 950,000
<b>5.75%<sup>1</sup>/3.75%</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2018	2020	\$ 50,343,172	\$ 41,651,694	83%	\$ 1,403,424
2019	2021	\$ 50,500,000	\$ 39,400,000	78%	\$ 1,630,000
2020	2022	\$ 50,500,000	\$ 38,700,000	77%	\$ 1,730,000
2021	2023	\$ 50,400,000	\$ 38,400,000	76%	\$ 1,840,000
2022	2024	\$ 50,200,000	\$ 37,900,000	75%	\$ 2,010,000
2023	2025	\$ 49,800,000	\$ 38,400,000	77%	\$ 2,060,000

<sup>1</sup> Represents both the interest rate for discounting liabilities and the future investment return assumption on the Market Value of assets.

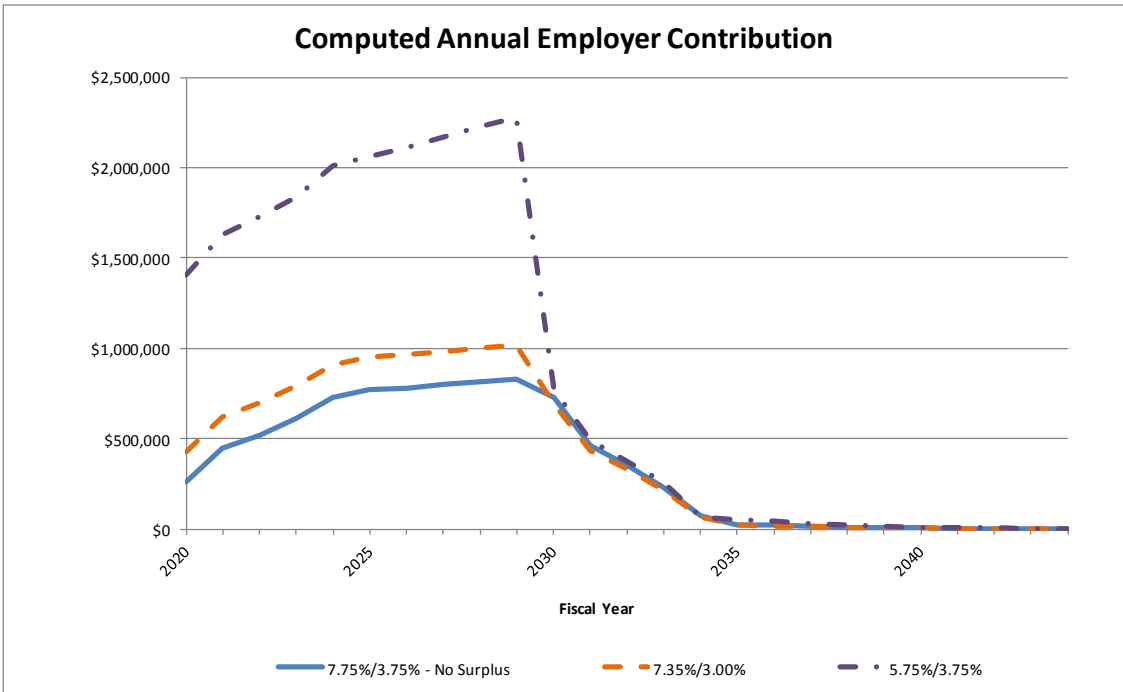
<sup>2</sup> Valuation Assets do not include assets from Surplus divisions, if any.



Notes:

All projected funded percentages are shown with no phase-in.

The green indicator lines have been added at 60% funded and 22 years following the valuation date for PA 202 purposes.



Notes:

All projected contributions are shown with no phase-in.

## Table 1: Employer Contribution Details For the Fiscal Year Beginning July 1, 2020

Division	Total Normal Cost	Employee Contribut. Rate	Employer Contributions <sup>1</sup>			Computed Employer Contribut. With Phase-In	Blended ER Rate No Phase-In <sup>5</sup>	Blended ER Rate With Phase-In <sup>5</sup>	Employee Contribut. Conversion Factor <sup>2</sup>
			Employer Normal Cost	Payment of the Unfunded Accrued Liability <sup>4</sup>	Computed Employer Contribut. No Phase-In				
<b>Percentage of Payroll</b>									
01 - Non-Union and Department Heads	14.49%	2.50%	-	-	-	-	-	-	-
10 - Gnrl Crth	11.39%	5.54%	-	-	-	-	-	-	-
11 - Dept of Public Svcs TPOAM	11.55%	4.84%	-	-	-	-	-	-	-
12 - AFSCME	12.08%	4.94%	-	-	-	-	-	-	-
13 - Cler Tmst	10.30%	2.50%	-	-	-	-	-	-	-
14 - Disptchrs	10.23%	2.50%	-	-	-	-	-	-	-
<b>Estimated Monthly Contribution<sup>3</sup></b>									
01 - Non-Union and Department Heads			\$ 6,354	\$ 1,542	\$ 7,896	\$ 7,896			
10 - Gnrl Crth			896	0	896	896			
11 - Dept of Public Svcs TPOAM			1,807	2,361	4,168	4,168			
12 - AFSCME			1,558	2,875	4,433	4,433			
13 - Cler Tmst			2,600	175	2,775	2,775			
14 - Disptchrs			1,278	0	1,278	1,278			
<b>Total Municipality</b>			<b>\$ 14,493</b>	<b>\$ 6,953</b>	<b>\$ 21,446</b>	<b>\$ 21,446</b>			
<b>Estimated Annual Contribution<sup>3</sup></b>			<b>\$ 173,916</b>	<b>\$ 83,436</b>	<b>\$ 257,352</b>	<b>\$ 257,352</b>			

<sup>1</sup> The above employer contribution requirements are in addition to the employee contributions, if any.

<sup>2</sup> If employee contributions are increased/decreased by 1.00% of pay, the employer contribution requirement will decrease/increase by the Employee Contribution Conversion Factor. The conversion factor is usually under 1%, because employee contributions may be refunded at termination of employment, and not used to fund retirement pensions. Employer contributions will all be used to fund pensions.

<sup>3</sup> For divisions that are open to new hires, estimated contributions are based on projected fiscal year payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts. For divisions that will have no new hires (i.e., closed divisions), invoices will be based on the above dollar amounts which are based on projected fiscal year payroll. See description of Open Divisions and Closed Divisions in the Appendix.

<sup>4</sup> Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions to not add across.

<sup>5</sup> For linked divisions, the employer will be invoiced the Computed Employer Contribution with Phase-in rate shown above for each linked division (a contribution rate for the open division; a contribution dollar for the closed-but-linked division), unless the employer elects to contribute the Blended Employer Contribution rate shown above, by contacting MERS at 800-767-MERS (6377).

**Please see the Comments on Asset Smoothing in the Executive Summary of this report.**

## Table 2: Benefit Provisions

### 01 - Non-Union and Department Heads: Closed to new hires

	2018 Valuation	2017 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/15	55/15
<b>Early Retirement (Reduced):</b>	50/25	50/25
<b>Final Average Compensation:</b>	3 years	3 years
<b>Employee Contributions:</b>	2.50%	2.50%
<b>DC Plan for New Hires:</b>	7/1/2010	7/1/2010
<b>Act 88:</b>	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

### 10 - Gnrl Crth: Closed to new hires

	2018 Valuation	2017 Valuation
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
	55/15	55/15
<b>Early Retirement (Reduced):</b>	-	-
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	5.54%	5.54%
<b>DC Plan for New Hires:</b>	10/1/2006	10/1/2006
<b>Act 88:</b>	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

### 11 - Dept of Public Svcs TPOAM: Closed to new hires

	2018 Valuation	2017 Valuation
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/15	55/15
<b>Early Retirement (Reduced):</b>	50/25	50/25
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	4.84%	4.84%
<b>DC Plan for New Hires:</b>	8/1/2006	8/1/2006
<b>Act 88:</b>	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)



**12 - AFSCME: Closed to new hires**

	<b>2018 Valuation</b>	<b>2017 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/15	55/15
<b>Early Retirement (Reduced):</b>	50/25	50/25
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	4.94%	4.94%
<b>DC Plan for New Hires:</b>	7/1/2010	7/1/2010
<b>Act 88:</b>	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

**13 - Cler Tmst: Closed to new hires**

	<b>2018 Valuation</b>	<b>2017 Valuation</b>
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/15	55/15
<b>Early Retirement (Reduced):</b>	50/25	50/25
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	2.50%	2.50%
<b>DC Plan for New Hires:</b>	7/1/2010	7/1/2010
<b>Act 88:</b>	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

**14 - Disptchrs: Closed to new hires**

	<b>2018 Valuation</b>	<b>2017 Valuation</b>
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/15	55/15
<b>Early Retirement (Reduced):</b>	50/25	50/25
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	2.50%	2.50%
<b>DC Plan for New Hires:</b>	9/1/2010	9/1/2010
<b>Act 88:</b>	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

### Table 3: Participant Summary

Division	2018 Valuation		2017 Valuation		2018 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
<b>01 - Non-Union and Department Heads</b>							
Active Employees	9	\$ 779,644	9	\$ 846,153	54.4	18.6	22.0
Vested Former Employees	1	27,651	1	27,651	50.2	11.7	11.7
Retirees and Beneficiaries	24	812,849	23	712,041	72.7		
<b>10 - Gnrl Crth</b>							
Active Employees	4	\$ 223,162	4	\$ 219,296	53.6	22.3	22.3
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	7	138,115	8	150,565	69.8		
<b>11 - Dept of Public Svcs TPOAM</b>							
Active Employees	6	\$ 329,129	13	\$ 734,306	47.5	20.1	20.1
Vested Former Employees	2	33,720	2	22,765	45.6	14.8	17.3
Retirees and Beneficiaries	49	1,017,561	44	851,612	67.7		
<b>12 - AFSCME</b>							
Active Employees	4	\$ 271,257	3	\$ 223,172	47.5	19.0	20.7
Vested Former Employees	5	68,178	6	77,113	52.1	11.1	19.4
Retirees and Beneficiaries	20	520,468	19	476,235	69.8		
<b>13 - Cler Tmst</b>							
Active Employees	11	\$ 554,655	14	\$ 682,145	55.4	24.1	24.1
Vested Former Employees	9	75,617	9	75,740	52.6	10.1	14.9
Retirees and Beneficiaries	34	506,962	32	453,877	73.1		
<b>14 - Disptchrs</b>							
Active Employees	4	\$ 202,437	5	\$ 259,967	47.9	19.1	19.1
Vested Former Employees	4	48,505	3	34,633	44.5	13.6	13.6
Retirees and Beneficiaries	2	15,672	2	15,672	61.3		
<b>Total Municipality</b>							
Active Employees	<b>38</b>	<b>\$ 2,360,284</b>	<b>48</b>	<b>\$ 2,965,039</b>	<b>52.1</b>	<b>20.9</b>	<b>21.9</b>
Vested Former Employees	<b>21</b>	<b>253,671</b>	<b>21</b>	<b>237,902</b>	<b>50.2</b>	<b>11.5</b>	<b>15.8</b>
Retirees and Beneficiaries	<b>136</b>	<b>3,011,627</b>	<b>128</b>	<b>2,660,002</b>	<b>70.3</b>		
<b>Total Participants</b>	<b>195</b>		<b>197</b>				

<sup>1</sup> Annual payroll for active employees; annual deferred benefits payable for vested former employees; annual benefits being paid for retirees and beneficiaries.

<sup>2</sup> Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

## Table 4: Reported Assets (Market Value)

Division	2018 Valuation		2017 Valuation	
	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>
01 - Non-Union and Department Heads	\$ 10,602,712	\$ 154,870	\$ 11,534,591	\$ 163,778
10 - Gnrl Crth	2,234,505	172,325	2,475,835	155,863
11 - Dept of Public Svcs TPOAM	10,633,662	226,649	12,240,211	385,878
12 - AFSCME	5,916,817	204,985	6,249,396	175,799
13 - Cler Tmst	6,583,405	202,417	7,351,732	242,218
14 - Disptchrs	1,050,083	43,769	1,095,791	36,824
<b>Municipality Total<sup>3</sup></b>	<b>\$ 37,021,184</b>	<b>\$ 1,005,016</b>	<b>\$ 40,947,556</b>	<b>\$ 1,160,360</b>
<b>Combined Assets<sup>3</sup></b>	<b>\$38,026,200</b>		<b>\$42,107,916</b>	

<sup>1</sup> Reserve for Employer Contributions and Benefit Payments.

<sup>2</sup> Reserve for Employee Contributions.

<sup>3</sup> Totals may not add due to rounding.

The December 31, 2018 valuation assets (actuarial value of assets) are equal to 1.095342 times the reported market value of assets (compared to 1.011321 as of December 31, 2017). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

## Table 5: Flow of Valuation Assets

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income (Valuation Assets)	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2008	\$ 671,925		\$ 60,985	\$ 1,102,980	\$ (1,734,081)	\$ (4,983)	\$ (3,514)	\$ 26,634,520
2009	682,056		59,268	990,212	(1,791,304)	(5,649)	0	26,569,103
2010	729,975		56,090	1,238,090	(2,045,599)	0	0	26,547,659
2011	769,629	\$ 0	92,448	1,177,872	(2,287,911)	0	0	26,299,697
2012	735,318	97,628	148,561	1,058,049	(2,360,656)	0	0	25,978,597
2013	839,178	141,000	136,395	1,431,930	(2,493,847)	(3,492)	0	26,029,761
2014	969,840	0	134,964	1,421,442	(2,554,256)	(3,658)	8,120	26,006,213
2015	1,077,399	231,772	115,135	1,228,473	(2,618,833)	(4,951)	0	26,035,208
2016	939,669	15,276,020	107,113	2,799,114	(2,669,149)	0	0	42,487,975
2017	234,378	0	103,814	2,461,392	(2,672,979)	(29,961)	0	42,584,619
2018	225,876	0	101,508	1,485,927	(2,791,449)	0	45,213	41,651,694

**Notes:**

Transfers in and out are usually related to the transfer of participants between municipalities, and to employer and employee payments for service credit purchases (if any) that the governing body has approved.

Additional employer contributions, if any, are shown separately starting in 2011. Prior to 2011, additional contributions are combined with the required employer contributions.

The investment income column reflects the recognized investment income based on Valuation Assets. It does not reflect the market value investment return in any given year.

The Valuation Asset balance includes assets from Surplus divisions, if any.

Years where historical information is not available, will be displayed with zero values.

**Table 6: Actuarial Accrued Liabilities and Valuation Assets  
as of December 31, 2018**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - Non-Union and Department Heads	\$ 3,412,412	\$ 136,885	\$ 8,302,769	\$ 0	\$ 11,852,066	\$ 11,783,231	99.4%	\$ 68,835
10 - Gnrl Crth	930,611	0	1,208,289	4,309	2,143,209	2,636,303	123.0%	(493,094)
11 - Dept of Public Svcs TPOAM	1,327,028	167,376	10,541,602	138	12,036,144	11,895,755	98.8%	140,389
12 - AFSCME	959,396	556,441	5,422,626	14,397	6,952,860	6,705,467	96.4%	247,393
13 - Cler Tmst	2,404,629	539,299	4,470,643	5,125	7,419,696	7,432,796	100.2%	(13,100)
14 - Disptchrs	671,799	215,272	165,437	0	1,052,508	1,198,142	113.8%	(145,634)
<b>Total</b>	<b>\$ 9,705,875</b>	<b>\$ 1,615,273</b>	<b>\$ 30,111,366</b>	<b>\$ 23,969</b>	<b>\$ 41,456,483</b>	<b>\$ 41,651,694</b>	<b>100.5%</b>	<b>\$ (195,211)</b>

Please see the Comments on Asset Smoothing in the Executive Summary of this report.

## Table 7: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 27,642,742	\$ 23,897,237	86%	\$ 3,745,505
2005	28,414,461	24,458,557	86%	3,955,904
2006	29,681,342	25,391,829	86%	4,289,513
2007	31,205,728	26,541,208	85%	4,664,520
2008	32,402,367	26,634,520	82%	5,767,847
2009	32,752,091	26,569,103	81%	6,182,988
2010	34,126,156	26,547,659	78%	7,578,497
2011	35,497,987	26,299,697	74%	9,198,290
2012	36,066,667	25,978,597	72%	10,088,070
2013	37,260,900	26,029,761	70%	11,231,139
2014	38,278,641	26,006,213	68%	12,272,428
2015	40,440,589	26,035,208	64%	14,405,381
2016	40,503,803	42,487,975	105%	(1,984,172)
2017	40,668,118	42,584,619	105%	(1,916,501)
2018	41,456,483	41,651,694	100%	(195,211)

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

The Valuation Assets include assets from Surplus divisions, if any.

Years where historical information is not available will be displayed with zero values.

## Tables 8 and 9: Division-Based Comparative Schedules

### Division 01 - Non-Union and Department Heads

**Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2008	\$ 8,685,702	\$ 6,286,268	72%	\$ 2,399,434
2009	8,038,466	5,658,718	70%	2,379,748
2010	8,479,273	5,680,461	67%	2,798,812
2011	9,002,861	5,618,427	62%	3,384,434
2012	9,210,025	5,577,487	61%	3,632,538
2013	10,121,532	5,664,596	56%	4,456,936
2014	10,813,793	5,826,893	54%	4,986,900
2015	11,254,450	5,871,025	52%	5,383,425
2016	11,113,019	11,742,114	106%	(629,095)
2017	11,282,730	11,830,806	105%	(548,076)
2018	11,852,066	11,783,231	99%	68,835

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-01: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2008	14	\$ 1,174,358	22.90%	0.00%
2009	14	1,202,689	23.37%	0.00%
2010	12	1,031,825	\$ 24,020	0.00%
2011	11	972,440	\$ 26,338	2.50%
2012	11	989,346	\$ 28,727	2.50%
2013	10	834,038	\$ 34,367	2.50%
2014	11	892,963	\$ 40,155	2.50%
2015	10	883,258	\$ 46,422	2.50%
2016	9	830,202	\$ 6,867	2.50%
2017	9	846,153	\$ 6,570	2.50%
2018	9	779,644	\$ 7,896	2.50%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 2.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available, will be displayed with zero values.

## Division 10 - Gnrl Crth

**Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2008	\$ 1,613,659	\$ 1,449,675	90%	\$ 163,984
2009	1,979,624	1,791,716	91%	187,908
2010	2,014,257	1,776,297	88%	237,960
2011	2,082,999	1,767,933	85%	315,066
2012	2,129,740	1,745,763	82%	383,977
2013	2,209,968	1,757,727	80%	452,241
2014	2,251,628	1,771,039	79%	480,589
2015	2,530,017	1,784,687	71%	745,330
2016	2,533,796	2,656,253	105%	(122,457)
2017	2,192,599	2,661,491	121%	(468,892)
2018	2,143,209	2,636,303	123%	(493,094)

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-10: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2008	7	\$ 354,953	\$ 2,943	3.04%
2009	7	358,201	\$ 2,996	3.04%
2010	6	309,465	\$ 3,312	3.04%
2011	6	305,279	\$ 3,495	5.54%
2012	6	307,811	\$ 4,094	5.54%
2013	6	309,969	\$ 4,803	5.54%
2014	6	306,656	\$ 5,386	5.54%
2015	4	213,988	\$ 7,227	5.54%
2016	4	212,327	\$ 928	5.54%
2017	4	219,296	\$ 936	5.54%
2018	4	223,162	\$ 896	5.54%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 2.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available, will be displayed with zero values.



## Division 11 - Dept of Public Svcs TPOAM

**Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2008	\$ 10,780,891	\$ 9,161,812	85%	\$ 1,619,079
2009	10,290,554	8,502,821	83%	1,787,733
2010	10,634,653	8,300,780	78%	2,333,873
2011	10,798,179	8,192,100	76%	2,606,079
2012	10,921,274	8,075,242	74%	2,846,032
2013	11,218,116	8,096,873	72%	3,121,243
2014	11,704,457	8,088,521	69%	3,615,936
2015	12,232,840	8,076,786	66%	4,156,054
2016	12,125,069	12,825,761	106%	(700,692)
2017	12,215,580	12,769,029	105%	(553,449)
2018	12,036,144	11,895,755	99%	140,389

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-11: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2008	28	\$ 1,433,600	\$ 18,318	2.34%
2009	27	1,334,228	\$ 18,423	2.34%
2010	21	1,027,989	\$ 20,370	2.34%
2011	20	1,047,392	\$ 22,156	4.84%
2012	18	904,241	\$ 24,466	4.84%
2013	18	941,118	\$ 28,778	4.84%
2014	16	911,310	\$ 35,901	4.84%
2015	15	831,702	\$ 38,536	4.84%
2016	13	722,547	\$ 3,559	4.84%
2017	13	734,306	\$ 3,527	4.84%
2018	6	329,129	\$ 4,168	4.84%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 2.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available, will be displayed with zero values.

## Division 12 - AFSCME

**Table 8-12: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2008	\$ 4,851,889	\$ 3,978,310	82%	\$ 873,579
2009	5,195,434	4,109,828	79%	1,085,606
2010	5,647,986	4,356,935	77%	1,291,051
2011	6,077,256	4,318,993	71%	1,758,263
2012	6,195,017	4,222,690	68%	1,972,327
2013	6,313,706	4,147,075	66%	2,166,631
2014	6,083,731	3,889,273	64%	2,194,458
2015	6,373,453	3,777,888	59%	2,595,565
2016	6,402,601	6,573,250	103%	(170,649)
2017	6,453,772	6,497,935	101%	(44,163)
2018	6,952,860	6,705,467	96%	247,393

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-12: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2008	10	\$ 681,062	14.45%	2.44%
2009	10	683,363	16.61%	2.44%
2010	10	648,391	\$ 10,539	2.44%
2011	9	618,088	\$ 12,432	4.94%
2012	6	394,205	\$ 13,283	4.94%
2013	6	414,844	\$ 15,302	4.94%
2014	3	201,718	\$ 15,088	4.94%
2015	3	219,313	\$ 20,028	4.94%
2016	3	218,625	\$ 1,269	4.94%
2017	3	223,172	\$ 1,213	4.94%
2018	4	271,257	\$ 4,433	4.94%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 2.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available, will be displayed with zero values.

## Division 13 - Cler Tmst

**Table 8-13: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2008	\$ 5,820,235	\$ 5,160,464	89%	\$ 659,771
2009	6,621,959	5,855,179	88%	766,780
2010	6,750,943	5,722,160	85%	1,028,783
2011	6,877,043	5,634,859	82%	1,242,184
2012	6,890,158	5,542,972	80%	1,347,186
2013	6,641,782	5,495,553	83%	1,146,229
2014	6,603,201	5,507,732	83%	1,095,469
2015	7,090,875	5,555,555	78%	1,535,320
2016	7,319,956	7,617,031	104%	(297,075)
2017	7,444,183	7,679,921	103%	(235,738)
2018	7,419,696	7,432,796	100%	(13,100)

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-13: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2008	29	\$ 1,311,602	11.99%	0.00%
2009	29	1,330,765	12.64%	0.00%
2010	23	1,029,122	\$ 12,383	0.00%
2011	21	952,124	\$ 12,117	2.50%
2012	20	913,203	\$ 12,910	2.50%
2013	18	819,952	\$ 11,222	2.50%
2014	15	686,863	\$ 10,603	2.50%
2015	14	690,139	\$ 15,094	2.50%
2016	15	729,757	\$ 3,721	2.50%
2017	14	682,145	\$ 3,308	2.50%
2018	11	554,655	\$ 2,775	2.50%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 2.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available, will be displayed with zero values.

## Division 14 - Disptchrs

**Table 8-14: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2008	\$ 649,991	\$ 597,991	92%	\$ 52,000
2009	626,054	650,841	104%	(24,787)
2010	599,044	711,026	119%	(111,982)
2011	659,649	767,385	116%	(107,736)
2012	720,453	814,443	113%	(93,990)
2013	755,796	867,937	115%	(112,141)
2014	821,831	922,755	112%	(100,924)
2015	958,954	969,267	101%	(10,313)
2016	1,009,362	1,073,566	106%	(64,204)
2017	1,079,254	1,145,437	106%	(66,183)
2018	1,052,508	1,198,142	114%	(145,634)

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-14: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2008	9	\$ 414,190	9.45%	0.00%
2009	8	382,404	8.10%	0.00%
2010	6	295,262	4.49%	0.00%
2011	6	294,722	\$ 644	2.50%
2012	6	296,804	\$ 978	2.50%
2013	6	275,605	\$ 642	2.50%
2014	5	245,316	\$ 597	2.50%
2015	5	260,270	\$ 1,786	2.50%
2016	5	256,463	\$ 1,695	2.50%
2017	5	259,967	\$ 1,684	2.50%
2018	4	202,437	\$ 1,278	2.50%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 2.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available, will be displayed with zero values.

## Table 10: Division-Based Layered Amortization Schedule

### Division 01 - Non-Union and Department Heads

**Table 10-01: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2020		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 135,278	10	\$ 151,305	10	\$ 18,504
<b>Total</b>				<b>\$ 151,305</b>		<b>\$ 18,504</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2018 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2018 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 10 - Gnrl Crth

**Table 10-10: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2020		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2016	\$ (123,956)	10	\$ (123,730)	8	\$ (18,252)
(Gain)/Loss	12/31/2017	(335,656)	10	(356,836)	9	(47,640)
(Gain)/Loss	12/31/2018	(4,485)	10	(5,016)	10	(612)
<b>Total</b>				<b>\$ (485,582)</b>		<b>\$ (66,504)</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2018 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2018 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 11 - Dept of Public Svcs TPOAM

**Table 10-11: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2020		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 207,121	10	\$ 231,660	10	\$ 28,332
<b>Total</b>				<b>\$ 231,660</b>		<b>\$ 28,332</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2018 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2018 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 12 - AFSCME

**Table 10-12: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2020		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 252,137	10	\$ 282,009	10	\$ 34,500
<b>Total</b>				<b>\$ 282,009</b>		<b>\$ 34,500</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2018 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2018 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.



## Division 13 - Cler Tmst

**Table 10-13: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2020		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 15,366	10	\$ 17,187	10	\$ 2,100
<b>Total</b>				<b>\$ 17,187</b>		<b>\$ 2,100</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2018 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2018 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 14 - Disptchrs

**Table 10-14: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2020		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2016	\$ (57,963)	10	\$ (57,847)	8	\$ (8,532)
(Gain)/Loss	12/31/2017	(3,774)	10	(4,012)	9	(540)
(Gain)/Loss	12/31/2018	(82,208)	10	(91,948)	10	(11,244)
<b>Total</b>				<b>\$ (153,807)</b>		<b>\$ (20,316)</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2018 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2018 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## GASB 68 Information

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. Statement 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at <http://www.mersofmich.com/>.

Actuarial Valuation Date:	12/31/2018
Measurement Date of the Total Pension Liability (TPL):	12/31/2018
At 12/31/2018, the following employees were covered by the benefit terms:	
Inactive employees or beneficiaries currently receiving benefits:	136
Inactive employees entitled to but not yet receiving benefits (including refunds):	30
Active employees:	<u>38</u>
	204
Total Pension Liability as of 12/31/2017 measurement date:	\$ 39,737,687
Total Pension Liability as of 12/31/2018 measurement date:	\$ 40,530,680
Service Cost for the year ending on the 12/31/2018 measurement date:	\$ 270,704
Change in the Total Pension Liability due to:	
- Benefit changes <sup>1</sup> :	\$ 0
- Differences between expected and actual experience <sup>2</sup> :	\$ 235,553
- Changes in assumptions <sup>2</sup> :	\$ 0

<sup>1</sup>A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

<sup>2</sup>Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Average expected remaining service lives of all employees (active and inactive):	1
Covered employee payroll: (Needed for Required Supplementary Information)	\$ 2,360,284

Sensitivity of the Net Pension Liability to changes in the discount rate:

	1% Decrease <u>(7.00%)</u>	Current Discount Rate (8.00%)	1% Increase <u>(9.00%)</u>
Change in Net Pension Liability as of 12/31/2018:	\$ 3,929,115	\$ -	\$ (3,372,913)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

# Benefit Provision History

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

## 01 - Non-Union and Department Heads

10/1/2017	Service Credit Purchase Estimates - Yes
12/1/2016	Service Credit Purchase Estimates - No
10/6/2016	Pension Obligation Bond issued
8/1/2011	Member Contribution Rate 2.50%
7/1/2010	DC Adoption Date 07-01-2010
7/1/1995	Benefit B-4 (80% max)
1/1/1987	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/1987	2.25% Multiplier (no max)
1/1/1987	Benefit F55 (With 15 Years of Service)
1/1/1985	Benefit C-2/Base B-1
7/1/1984	Member Contribution Rate 0.00%
7/1/1975	Benefit C-1 (Old)
2/9/1970	Covered by Act 88
7/1/1956	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1956	10 Year Vesting
7/1/1956	Benefit C (Old)
7/1/1956	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 10 - Gnrl Crth

10/1/2017	Service Credit Purchase Estimates - Yes
12/1/2016	Service Credit Purchase Estimates - No
10/6/2016	Pension Obligation Bond issued
8/1/2011	Member Contribution Rate 5.54%
10/1/2006	DC Adoption Date 10-01-2006
7/1/1998	Benefit B-2
7/1/1998	Benefit F50 (With 25 Years of Service)
7/1/1998	Member Contribution Rate 3.04%
7/1/1990	Benefit C-2/Base B-1
7/1/1990	Benefit F55 (With 15 Years of Service)
7/1/1984	Member Contribution Rate 0.00%
7/1/1975	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1975	10 Year Vesting
7/1/1975	Benefit C-1 (Old)
2/9/1970	Covered by Act 88
	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 11 - Dept of Public Svcs TPOAM

10/1/2017	Service Credit Purchase Estimates - Yes
12/1/2016	Service Credit Purchase Estimates - No
10/6/2016	Pension Obligation Bond issued
8/1/2011	Member Contribution Rate 4.84%
4/1/2010	Temporary 30 Years & Out (04/01/2010 - 06/30/2010)
8/1/2006	DC Adoption Date 08-01-2006
1/1/2005	Member Contribution Rate 2.34%
7/1/2004	Benefit B-3 (80% max)
7/1/2004	Member Contribution Rate 3.09%
1/1/1994	Benefit B-2
1/1/1994	Benefit F55 (With 15 Years of Service)
1/1/1994	Member Contribution Rate 1.50%
1/1/1987	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1987	10 Year Vesting
1/1/1987	Benefit C-2/Base B-1
7/1/1984	Member Contribution Rate 0.00%
2/9/1970	Covered by Act 88
	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 12 - AFSCME

10/1/2017	Service Credit Purchase Estimates - Yes
12/1/2016	Service Credit Purchase Estimates - No
10/6/2016	Pension Obligation Bond issued
8/1/2011	Member Contribution Rate 4.94%
7/1/2010	DC Adoption Date 07-01-2010
7/1/2004	Member Contribution Rate 2.44%
8/1/2003	Benefit B-3 (80% max)
8/1/2003	Member Contribution Rate 3.26%
7/1/2003	Member Contribution Rate 0.82%
6/1/1998	Benefit B-2
6/1/1998	Member Contribution Rate 1.63%
7/1/1987	Benefit C-2/Base B-1
7/1/1987	Benefit F55 (With 15 Years of Service)
7/1/1984	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1984	10 Year Vesting
7/1/1984	Member Contribution Rate 0.00%
2/9/1970	Covered by Act 88
	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 13 - Cler Tmst

10/1/2017	Service Credit Purchase Estimates - Yes
12/1/2016	Service Credit Purchase Estimates - No
10/6/2016	Pension Obligation Bond issued
8/1/2011	Member Contribution Rate 2.50%
7/1/2010	DC Adoption Date 07-01-2010

### 13 - Cler Tmst

7/1/2004	Member Contribution Rate 0.00%
7/1/2003	Member Contribution Rate 0.90%
1/1/1994	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1994	10 Year Vesting
1/1/1994	Benefit B-2
1/1/1994	Benefit F55 (With 15 Years of Service)
1/1/1994	Member Contribution Rate 1.80%
2/9/1970	Covered by Act 88
	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

### 14 - Disptchrs

10/1/2017	Service Credit Purchase Estimates - Yes
12/1/2016	Service Credit Purchase Estimates - No
10/6/2016	Pension Obligation Bond issued
12/1/2011	Member Contribution Rate 2.50%
9/1/2010	DC Adoption Date 09-01-2010
12/1/2003	Benefit B-2
7/1/1990	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1990	10 Year Vesting
7/1/1990	Benefit C-2/Base B-1
7/1/1990	Benefit F55 (With 15 Years of Service)
7/1/1990	Member Contribution Rate 0.00%
2/9/1970	Covered by Act 88
	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

# Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix. Some actuarial assumptions are specific to this municipality and its divisions. These are listed below.

## Increase in Final Average Compensation

Division	FAC Increase Assumption
All Divisions	4.00%

## Withdrawal Rate Scaling Factor

Division	Withdrawal Rate Scaling Factor
All Divisions	80%

## Miscellaneous and Technical Assumptions

Loads – None.

## Risk Commentary

Determination of the accrued liability, the employer contribution, and the funded ratio requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability, the actuarially determined contribution and the funded ratio that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.



## PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

1. Ratio of the market value of assets to total payroll	16.1
2. Ratio of actuarial accrued liability to payroll	17.6
3. Ratio of actives to retirees and beneficiaries	0.3
4. Ratio of market value of assets to benefit payments	13.6
5. Ratio of net cash flow to market value of assets (boy)	-5.7%

### RATIO OF MARKET VALUE OF ASSETS TO TOTAL PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

### RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

### RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

### RATIO OF MARKET VALUE OF ASSETS TO BENEFIT PAYMENTS

The MERS' Actuarial Policy requires a total minimum contribution equal to the excess (if any) of three times the expected annual benefit payments over the projected market value of assets as of the participating municipality or court's Fiscal Year for which the contribution applies. The ratio of market value of assets to benefit payments as of the valuation date provides an indication of whether the division is at risk for triggering the minimum contribution rule in the near term. If the division triggers this minimum contribution rule, the required employer contributions could increase dramatically relative to previous valuations.

### RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

## State Reporting

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan’s Local Government Retirement System Annual Report (Form No. 5572). Additional resources are available at [www.mersofmich.com](http://www.mersofmich.com) and on the State [website](#).

Form 5572		
Line Reference	Description	Result
<b>10 Membership as of December 31, 2018</b>		
11	Indicate number of active members	38
12	Indicate number of inactive members	21
13	Indicate number of retirees and beneficiaries	136
<b>14 Investment Performance for Calendar Year Ending December 31, 2018<sup>1</sup></b>		
15	Enter actual rate of return - prior 1-year period	-3.64%
16	Enter actual rate of return - prior 5-year period	4.94%
17	Enter actual rate of return - prior 10-year period	8.25%
<b>18 Actuarial Assumptions</b>		
19	Actuarial assumed rate of investment return <sup>2</sup>	7.75%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Percent
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any <sup>3</sup>	10
22	Is each division within the system closed to new employees? <sup>4</sup>	Yes
<b>23 Uniform Assumptions</b>		
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$41,651,694
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	\$44,459,795
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending June 30,2019	\$503,292

1. The Municipal Employees’ Retirement System’s investment performance has been provided to GRS from MERS Investment Staff and included here for reporting purposes. This investment performance figures reported are net of fees on a rolling calendar-year basis for the previous 1-, 5-, and 10-year periods as required under PA 530.
2. Net of administrative and investment expenses.
3. Populated with the longest amortization period remaining in the amortization schedule, across all divisions in the plan. This is when each division and the plan in total is expected to reach 100% funded if all assumptions are met.
4. If all divisions within the employer are closed, “yes.” If at least one division is open (including shadow divisions) indicate “no.”