



Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report

December 31, 2021 - Madison Heights, City of (6308)





Spring, 2022

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, 2021. 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, 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, 2021,
- Establish contribution requirements for the fiscal year beginning July 1, 2023,
- 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, 2021. 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, the MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are reviewed regularly through a comprehensive study, most recently in the Fall of 2021. The MERS Retirement Board adopted a Dedicated Gains Policy at the February 17, 2022 Board meeting. The Dedicated Gains Policy will automatically reduce the assumed rate of investment return in conjunction with recognizing excess investment gains to mitigate the impact on employer contributions the first year. The new policy is effective with this December 31, 2021 annual actuarial valuation, and is reflected in the funded status and fiscal year 2023 contributions as shown in the Executive Summary.

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:

<https://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2021AnnualActuarialValuation-Appendix.pdf>

The actuarial assumptions used for this valuation, including the assumed rate of investment return, are reasonable for purposes of the measurement.

This report reflects the impact of COVID-19 experience through December 31, 2021. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short term. We will continue to monitor these developments and their impact on the MERS Defined Benefit and Hybrid plans. Actual future experience will be reflected in each subsequent annual valuation, as experience emerges.

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).

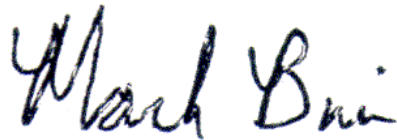
Sincerely,
Gabriel, Roeder, Smith & Company



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 the funded 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.

	12/31/2021	12/31/2020
Funded Ratio*	99%	93%

* Reflects assets from Surplus divisions, if any.

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.

Effective for the December 31, 2021 valuation, the MERS Retirement Board has adopted a Dedicated Gains Policy which allows for recognition of asset gains in excess of a set threshold in combination with lowering the assumed rate of investment return (discussed below). Changes to these assumptions and methods are effective for contributions beginning in 2023. Effective with the 2020 and 2019 valuations respectively, the MERS Retirement Board adopted updated demographic and economic assumptions. The combined impact of the prior demographic and economic assumption changes may be phased in. The remaining combined phase-in period is three years for all assumption changes.

By default, MERS will invoice you based on the amount in the “No Phase-in” columns. This amount will be considered the minimum required contribution unless you request to be billed the “Phase-in” rates. If you wish to be billed using the phased-in rates, please contact MERS, at which point the alternate minimum required contribution will be the amount in the “Phase-in” columns.

	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:	12/31/2021	12/31/2021	12/31/2020	12/31/2020	12/31/2021	12/31/2021	12/31/2020	12/31/2020
Fiscal Year Beginning:	July 1, 2023	July 1, 2023	July 1, 2022	July 1, 2022	July 1, 2023	July 1, 2023	July 1, 2022	July 1, 2022
Division								
01 - Non-Union and Department Head	-	-	-	-	\$ 4,643	\$ 9,087	\$ 9,322	\$ 15,988
10 - Gnrl Crth	-	-	-	-	457	457	538	538
11 - Dept of Public Svcs TPOAM	-	-	-	-	5,381	8,655	8,814	13,725
12 - AFSCME	-	-	-	-	1,554	3,836	6,193	9,616
13 - Cler Tmst	-	-	-	-	52	2,948	2,827	7,171
14 - Disptchrs	-	-	-	-	1,308	1,308	1,388	1,388
Total Municipality - Estimated Monthly Contribution					\$ 13,395	\$ 26,291	\$ 29,082	\$ 48,426
Total Municipality - Estimated Annual Contribution					\$ 160,740	\$ 315,492	\$ 348,984	\$ 581,112

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2021	12/31/2020
Division		
01 - Non-Union and Department Head	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. With the implemented Dedicated Gains policy, market gains and losses will continue to be smoothed over five years; however, since excess return are being used to lower the investment assumption, there will be less gains to smooth in down markets. Having additional funds in Surplus divisions will assist plans with navigating any market volatility.

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), and
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions.

These impacts are reflected in various tables in the report. For more information, please contact your Regional Manager.

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 a significant portion 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 **7.00%** 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 and Method Change in 2021

Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically adjusts the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the Plan. Full details of this dedicated gains policy are available in the Actuarial Policy found on the MERS [website](#). Some goals of the dedicated gains policy are to:

- Provide a systematic approach to lower the assumed rate of investment return between experience studies, and
- Use excess gains to cover both the increase in normal cost and any increase in UAL payment the first year after implementation (i.e., minimize the first-year impact (i.e., increase) in employer contributions).

The dedicated gains policy has been implemented with the December 31, 2021 annual actuarial valuation. After initial application of the smoothing method, remaining market gains were used to lower the assumed rate of investment return from 7.35% to 7.00%. The December 31, 2021 valuation liabilities were developed using this new, lower assumption. Additionally, as a result of recognizing excess market gains, the valuation assets used to fund these liabilities are 7.2% higher than if there were no dedicated gain policy. The combined impact of these changes will minimize the first-year impact on employer contributions and may result in an increase or a decrease in employer contributions.

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. After initial application of asset smoothing, remaining excess market gains are used to buy down the assumed rate of investment return and increase the level of valuation assets, to the extent allowed by the dedicated gains policy. 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 2021 was 17.04%, while the actual market rate of return was 13.97%.** 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, 2021, the actuarial value of assets is just below 100% of market value due to asset smoothing and dedicated gains. This means that rate of return on the actuarial value of assets should exceed the actuarial assumption in the next few years provided that the annual market returns meet or exceed the 7.00% investment return assumption. When all assumptions are met, contribution rates are expected to stay approximately level as a percent of payroll (dollar amounts are expected to increase with wage inflation of 3.0% each year).

As of December 31, 2021, the market value of assets and actuarial value of assets are very similar, resulting in a funded percentage that is not materially different.

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. Lower investment returns would generally result in higher required employer contributions, and vice versa. The three economic scenarios below provide



a quantitative risk assessment for the impact of investment returns on the plan's future financial condition for funding purposes.

The relative impact of the economic scenarios 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, 2021 valuation and are for the municipality in total, not by division. These results do not reflect a phase-in of the impact of the actuarial assumptions updated in the 2020 and 2019 valuations. There is no phase-in with dedicated gains.

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.

12/31/2021 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
Investment Return Assumption	5.00%	6.00%	7.00%
Accrued Liability	\$ 56,080,535	\$ 50,397,807	\$ 45,618,555
Valuation Assets ¹	\$ 45,060,349	\$ 45,060,349	\$ 45,060,349
Unfunded Accrued Liability	\$ 11,020,186	\$ 5,337,458	\$ 558,206
Funded Ratio	80%	89%	99%
Monthly Normal Cost	\$ 18,885	\$ 13,658	\$ 9,800
Monthly Amortization Payment	\$ 111,573	\$ 61,491	\$ 16,491
Total Employer Contribution²	\$ 130,458	\$ 75,149	\$ 26,291

¹ The Valuation Assets include assets from Surplus divisions, if any.

² 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

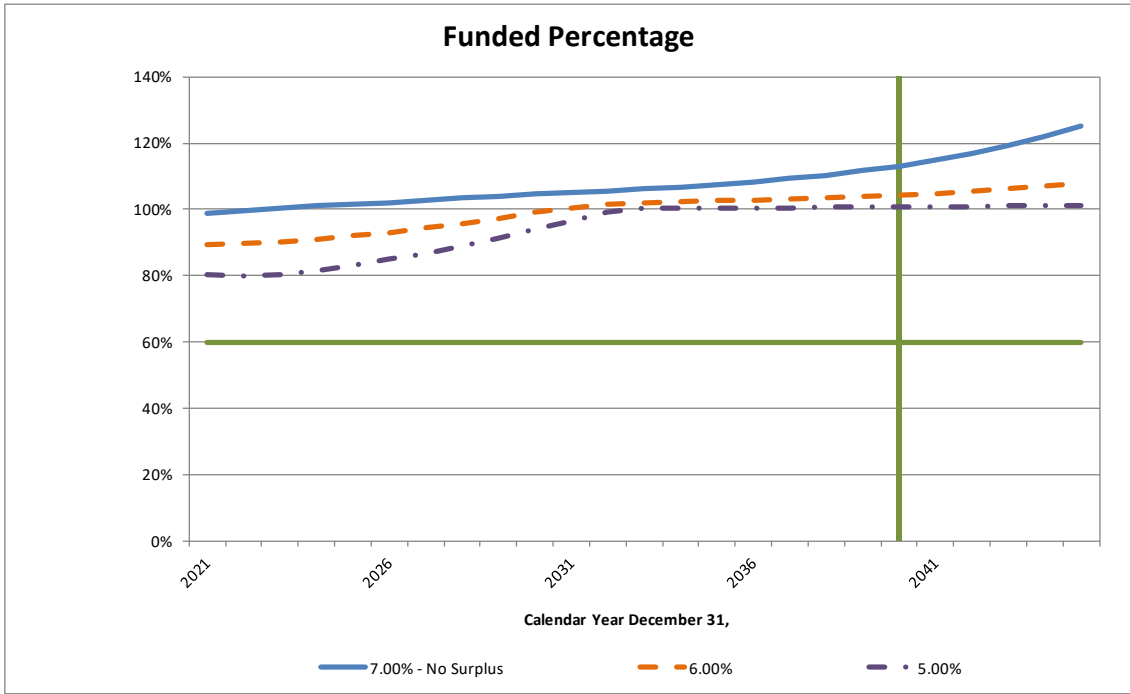
The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate economic assumption scenarios. All three projections take into account the past investment experience that will continue to affect the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

The 7.00% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 7.00% 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 6.00% and 5.00% projection scenarios 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 ²	Funded Percentage	Estimated Annual Employer Contribution
7.00%¹ - NO PHASE-IN					
2021	2023	\$ 45,618,555	\$ 45,060,349	99%	\$ 315,492
2022	2024	\$ 45,600,000	\$ 45,500,000	100%	\$ 300,000
2023	2025	\$ 45,500,000	\$ 45,700,000	100%	\$ 282,000
2024	2026	\$ 45,200,000	\$ 45,700,000	101%	\$ 277,000
2025	2027	\$ 44,900,000	\$ 45,500,000	102%	\$ 272,000
2026	2028	\$ 44,400,000	\$ 45,300,000	102%	\$ 221,000
6.00%¹ - NO PHASE-IN					
2021	2023	\$ 50,397,807	\$ 45,060,349	89%	\$ 901,788
2022	2024	\$ 50,300,000	\$ 45,100,000	90%	\$ 904,000
2023	2025	\$ 50,100,000	\$ 45,100,000	90%	\$ 912,000
2024	2026	\$ 49,700,000	\$ 45,200,000	91%	\$ 921,000
2025	2027	\$ 49,200,000	\$ 45,200,000	92%	\$ 931,000
2026	2028	\$ 48,600,000	\$ 45,200,000	93%	\$ 942,000
5.00%¹ - NO PHASE-IN					
2021	2023	\$ 56,080,535	\$ 45,060,349	80%	\$ 1,565,496
2022	2024	\$ 55,900,000	\$ 44,700,000	80%	\$ 1,590,000
2023	2025	\$ 55,500,000	\$ 44,600,000	80%	\$ 1,610,000
2024	2026	\$ 55,000,000	\$ 44,900,000	82%	\$ 1,640,000
2025	2027	\$ 54,300,000	\$ 45,200,000	83%	\$ 1,660,000
2026	2028	\$ 53,500,000	\$ 45,400,000	85%	\$ 1,690,000

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

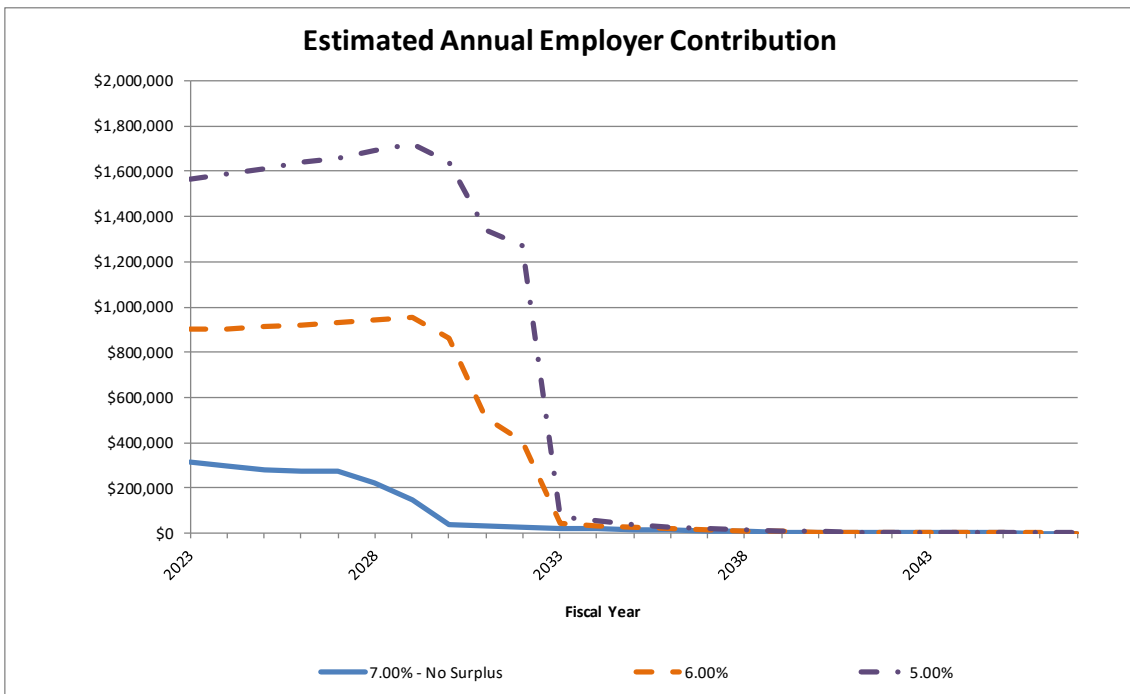
² Valuation Assets do not include assets from Surplus divisions, if any.



Notes:

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

The green indicator lines have been added at 60% funded and 19 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, 2023

Division	Total Normal Cost	Employee Contribut. Rate	Employer Contributions ¹			Computed Employer Contribut. With Phase-In	Blended ER Rate No Phase-In ⁵	Blended ER Rate With Phase-In ⁵	Employee Contribut. Conversion Factor ²
			Employer Normal Cost ⁶	Payment of the Unfunded Accrued Liability ⁴	Computed Employer Contribut. No Phase-In				
Percentage of Payroll									
01 - Non-Union and Department Head	15.21%	2.50%	-	-	-	-	-	-	-
10 - Gnrl Crth	11.03%	5.54%	-	-	-	-	-	-	-
11 - Dept of Public Svcs TPOAM	10.71%	4.84%	-	-	-	-	-	-	-
12 - AFSCME	9.52%	4.94%	-	-	-	-	-	-	-
13 - Cler Tmst	9.77%	2.50%	-	-	-	-	-	-	-
14 - Disptchrs	9.83%	2.50%	-	-	-	-	-	-	-
Estimated Monthly Contribution³									
01 - Non-Union and Department Head			\$ 4,370	\$ 4,717	\$ 9,087	\$ 4,643			
10 - Gnrl Crth			457	0	457	457			
11 - Dept of Public Svcs TPOAM			1,489	7,166	8,655	5,381			
12 - AFSCME			284	3,552	3,836	1,554			
13 - Cler Tmst			1,892	1,056	2,948	52			
14 - Disptchrs			1,308	0	1,308	1,308			
Total Municipality			\$ 9,800	\$ 16,491	\$ 26,291	\$ 13,395			
Estimated Annual Contribution³			\$ 117,600	\$ 197,892	\$ 315,492	\$ 160,740			

- ¹ The above employer contribution requirements are in addition to the employee contributions, if any.
- ² 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.
- ³ 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.
- ⁴ 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 not to add across.
- ⁵ For linked divisions, the employer will be invoiced the Computed Employer Contribution No 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).
- ⁶ For divisions with a negative employer normal cost, employee contributions cover the normal cost and a portion of the payment of any unfunded accrued liability.



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

Table 2: Benefit Provisions

01 - Non-Union and Department Head: Closed to new hires

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	3 years	3 years
Employee Contributions:	2.50%	2.50%
DC Plan for New Hires:	7/1/2010	7/1/2010
Act 88:	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

10 - GnrI Crth: Closed to new hires

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	50/25	50/25
	55/15	55/15
Early Retirement (Reduced):	-	-
Final Average Compensation:	5 years	5 years
Employee Contributions:	5.54%	5.54%
DC Plan for New Hires:	10/1/2006	10/1/2006
Act 88:	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

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

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	5 years	5 years
Employee Contributions:	4.84%	4.84%
DC Plan for New Hires:	8/1/2006	8/1/2006
Act 88:	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

12 - AFSCME: Closed to new hires

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	5 years	5 years
Employee Contributions:	4.94%	4.94%
DC Plan for New Hires:	7/1/2010	7/1/2010
Act 88:	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

13 - Cler Tmst: Closed to new hires

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	5 years	5 years
Employee Contributions:	2.50%	2.50%
DC Plan for New Hires:	7/1/2010	7/1/2010
Act 88:	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

14 - Disptchrs: Closed to new hires

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	5 years	5 years
Employee Contributions:	2.50%	2.50%
DC Plan for New Hires:	9/1/2010	9/1/2010
Act 88:	Yes (Adopted 2/9/1970)	Yes (Adopted 2/9/1970)

Table 3: Participant Summary

Division	2021 Valuation		2020 Valuation		2021 Valuation		
	Number	Annual Payroll ¹	Number	Annual Payroll ¹	Average Age	Average Benefit Service ²	Average Eligibility Service ²
01 - Non-Union and Department Head							
Active Employees	6	\$ 526,249	6	\$ 498,163	58.1	22.1	27.2
Vested Former Employees	2	72,478	2	72,478	49.8	14.7	14.7
Retirees and Beneficiaries	23	888,891	24	890,117	72.9		
Pending Refunds	0		0				
10 - Gnrl Crth							
Active Employees	2	\$ 116,646	3	\$ 155,947	56.3	24.3	24.3
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	8	180,643	7	152,179	67.9		
Pending Refunds	1		1				
11 - Dept of Public Svcs TPOAM							
Active Employees	6	\$ 366,684	6	\$ 327,737	50.5	23.1	23.1
Vested Former Employees	2	25,540	2	25,540	47.1	9.6	19.8
Retirees and Beneficiaries	48	1,020,678	48	1,020,678	70.1		
Pending Refunds	1		1				
12 - AFSCME							
Active Employees	1	\$ 72,879	2	\$ 132,484	41.0	18.9	18.9
Vested Former Employees	4	80,774	5	114,539	50.0	13.1	22.6
Retirees and Beneficiaries	22	569,432	21	530,251	70.0		
Pending Refunds	2		3				
13 - Cler Tmst							
Active Employees	8	\$ 420,594	9	\$ 398,759	55.9	28.4	28.4
Vested Former Employees	6	56,364	6	56,364	53.6	11.3	16.0
Retirees and Beneficiaries	36	553,046	35	540,646	73.1		
Pending Refunds	3		4				
14 - Disptchrs							
Active Employees	4	\$ 228,161	4	\$ 233,475	50.9	22.1	22.1
Vested Former Employees	6	50,581	6	50,640	48.8	9.6	10.1
Retirees and Beneficiaries	1	1,873	2	16,518	59.0		
Pending Refunds	0		0				
Total Municipality							
Active Employees	27	\$ 1,731,213	30	\$ 1,746,565	53.9	24.2	25.4
Vested Former Employees	20	285,737	21	319,561	50.4	11.3	15.8
Retirees and Beneficiaries	138	3,214,563	137	3,150,389	71.1		
Pending Refunds	7		9				
Total Participants	192		197				

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

² Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

Table 4: Reported Assets (Market Value)

Division	2021 Valuation		2020 Valuation	
	Employer and Retiree ¹	Employee ²	Employer and Retiree ¹	Employee ²
01 - Non-Union and Department Head	\$ 12,623,555	\$ 261,777	\$ 11,772,925	\$ 247,656
10 - Gnrl Crth	2,976,558	103,483	2,696,870	143,132
11 - Dept of Public Svcs TPOAM	12,017,843	278,546	11,385,330	259,784
12 - AFSCME	6,923,324	206,748	6,459,807	221,813
13 - Cler Tmst	7,887,543	205,355	7,342,585	206,700
14 - Disptchrs	1,580,237	62,031	1,366,287	56,108
Municipality Total³	\$ 44,009,061	\$ 1,117,940	\$ 41,023,803	\$ 1,135,194
Combined Assets³	\$45,127,001		\$42,158,997	

¹ Reserve for Employer Contributions and Benefit Payments.

² Reserve for Employee Contributions.

³ Totals may not add due to rounding.

The December 31, 2021 valuation assets (actuarial value of assets) are equal to 0.998523 times the reported market value of assets (compared to 0.972357 as of December 31, 2020). 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						
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
2019	212,184	0	77,110	1,870,518	(3,096,695)	0	82,266	40,797,077
2020	232,104	0	60,341	3,049,972	(3,145,898)	0	0	40,993,596
2021	317,018	0	64,047	6,835,731	(3,148,347)	(1,696)	0	45,060,349

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.

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, 2021**

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 Head	\$ 3,099,558	\$ 506,374	\$ 9,691,093	\$ 0	\$ 13,297,025	\$ 12,866,301	96.8%	\$ 430,724
10 - GnrI Crth	569,524	0	1,842,023	4,399	2,415,946	3,075,492	127.3%	(659,546)
11 - Dept of Public Svcs TPOAM	1,886,051	116,682	10,912,520	140	12,915,393	12,278,227	95.1%	637,166
12 - AFSCME	258,689	762,669	6,391,827	13,068	7,426,253	7,119,540	95.9%	306,713
13 - Cler Tmst	2,417,843	481,148	5,280,763	5,159	8,184,913	8,080,946	98.7%	103,967
14 - Disptchrs	1,016,382	337,782	24,861	0	1,379,025	1,639,843	118.9%	(260,818)
Total	\$ 9,248,047	\$ 2,204,655	\$ 34,143,087	\$ 22,766	\$ 45,618,555	\$ 45,060,349	98.8%	\$ 558,206

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

The December 31, 2021 valuation assets (actuarial value of assets) are equal to 0.998523 times the reported market value of assets. Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

Table 7: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
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)
2019	42,988,169	40,797,077	95%	2,191,092
2020	43,966,505	40,993,596	93%	2,972,909
2021	45,618,555	45,060,349	99%	558,206

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012, 2015, 2019, 2020 and 2021 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.

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.

Tables 8 and 9: Division-Based Comparative Schedules

Division 01 - Non-Union and Department Head

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
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
2019	12,373,904	11,610,812	94%	763,092
2020	12,779,011	11,688,296	91%	1,090,715
2021	13,297,025	12,866,301	97%	430,724

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020 and 2021 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-01: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
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%
2019	6	509,551	\$ 12,824	2.50%
2020	6	498,163	\$ 15,988	2.50%
2021	6	526,249	\$ 9,087	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 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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
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)
2019	2,156,791	2,664,825	124%	(508,034)
2020	2,196,388	2,761,496	126%	(565,108)
2021	2,415,946	3,075,492	127%	(659,546)

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020 and 2021 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-10: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
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%
2019	4	235,073	\$ 872	5.54%
2020	3	155,947	\$ 538	5.54%
2021	2	116,646	\$ 457	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 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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
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
2019	12,414,882	11,450,504	92%	964,378
2020	12,448,831	11,323,208	91%	1,125,623
2021	12,915,393	12,278,227	95%	637,166

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020 and 2021 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-11: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
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%
2019	6	338,621	\$ 12,749	4.84%
2020	6	327,737	\$ 13,725	4.84%
2021	6	366,684	\$ 8,655	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 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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
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
2019	7,169,614	6,504,875	91%	664,739
2020	7,311,377	6,496,920	89%	814,457
2021	7,426,253	7,119,540	96%	306,713

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020 and 2021 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-12: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
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%
2019	2	139,999	\$ 8,218	4.94%
2020	2	132,484	\$ 9,616	4.94%
2021	1	72,879	\$ 3,836	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 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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
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)
2019	7,624,039	7,297,370	96%	326,669
2020	7,830,351	7,340,600	94%	489,751
2021	8,184,913	8,080,946	99%	103,967

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020 and 2021 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-13: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
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%
2019	10	502,866	\$ 6,223	2.50%
2020	9	398,759	\$ 7,171	2.50%
2021	8	420,594	\$ 2,948	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 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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
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)
2019	1,248,939	1,268,691	102%	(19,752)
2020	1,400,547	1,383,076	99%	17,471
2021	1,379,025	1,639,843	119%	(260,818)

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020 and 2021 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-14: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
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%
2019	4	230,220	\$ 1,427	2.50%
2020	4	233,475	\$ 1,388	2.50%
2021	4	228,161	\$ 1,308	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 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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 Head

Table 10-01: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2023		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 135,278	10	\$ 123,407	7	\$ 20,376
(Gain)/Loss	12/31/2019	222,763	10	218,611	8	32,172
Assumption	12/31/2019	395,811	10	386,434	8	56,868
Experience	12/31/2020	280,971	10	295,350	9	39,336
Experience	12/31/2021	(682,268)	10	(755,146)	10	(92,148)
Total				\$ 268,656		\$ 56,604

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

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

³ 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, 2021 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2021 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 ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2023		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
(Gain)/Loss	12/31/2016	\$ (123,956)	10	\$ (90,178)	5	\$ (20,100)
(Gain)/Loss	12/31/2017	(335,656)	10	(277,277)	6	(52,464)
(Gain)/Loss	12/31/2018	(4,485)	10	(4,091)	7	(672)
(Gain)/Loss	12/31/2019	(172,339)	10	(169,121)	8	(24,888)
Assumption	12/31/2019	69,405	10	71,286	8	10,488
Experience	12/31/2020	(97,441)	10	(102,429)	9	(13,644)
Experience	12/31/2021	(142,921)	10	(158,187)	10	(19,308)
Total				\$ (729,997)		\$ (120,588)

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

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

³ 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, 2021 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2021 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 ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2023		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 207,121	10	\$ 188,939	7	\$ 31,200
(Gain)/Loss	12/31/2019	337,444	10	331,149	8	48,732
Assumption	12/31/2019	405,644	10	395,060	8	58,140
Experience	12/31/2020	104,803	10	110,162	9	14,676
Experience	12/31/2021	(494,244)	10	(547,038)	10	(66,756)
Total				\$ 478,272		\$ 85,992

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

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

³ 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, 2021 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2021 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 ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2023		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 252,137	10	\$ 229,994	7	\$ 37,980
(Gain)/Loss	12/31/2019	153,229	10	150,361	8	22,128
Assumption	12/31/2019	240,692	10	233,925	8	34,428
Experience	12/31/2020	118,430	10	124,493	9	16,584
Experience	12/31/2021	(507,146)	10	(561,318)	10	(68,496)
Total				\$ 177,455		\$ 42,624

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

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

³ 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, 2021 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2021 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 ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2023		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 15,366	10	\$ 14,023	7	\$ 2,316
(Gain)/Loss	12/31/2019	81,588	10	80,066	8	11,784
Assumption	12/31/2019	228,978	10	224,167	8	32,988
Experience	12/31/2020	140,149	10	147,317	9	19,620
Experience	12/31/2021	(400,069)	10	(442,803)	10	(54,036)
Total				\$ 22,770		\$ 12,672

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

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

³ 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, 2021 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2021 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 ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2023		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Experience	12/31/2021	\$ (263,072)	10	\$ (291,172)	10	\$ (35,532)
Total				\$ (291,172)		\$ (35,532)

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

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

³ 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, 2021 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2021 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 Statement No. 68 Information

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. GASB Statement No. 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:		12/31/2021
Measurement Date of the Total Pension Liability (TPL):		12/31/2021
At 12/31/2021, the following employees were covered by the benefit terms:		
Inactive employees or beneficiaries currently receiving benefits:		138
Inactive employees entitled to but not yet receiving benefits (including refunds):		27
Active employees:		<u>27</u>
		192
Total Pension Liability as of 12/31/2020 measurement date:	\$	42,941,814
Total Pension Liability as of 12/31/2021 measurement date:	\$	44,543,034
Service Cost for the year ending on the 12/31/2021 measurement date:	\$	178,543
Change in the Total Pension Liability due to:		
- Benefit changes ¹ :	\$	0
- Differences between expected and actual experience ² :	\$	(12,105)
- Changes in assumptions ² :	\$	1,434,164
Average expected remaining service lives of all employees (active and inactive):		1

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

² 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.

Covered employee payroll (Needed for Required Supplementary Information):		\$ 1,731,213
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Note: Covered employee payroll may differ from the GASB Statement No. 68 definition.

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

	1% Decrease <u>(6.25%)</u>	Current Discount <u>Rate (7.25%)</u>	1% Increase <u>(8.25%)</u>
Change in Net Pension Liability as of 12/31/2021:	\$ 4,583,113	\$ 0	\$ (3,894,306)

Note: The current discount rate shown for GASB Statement No. 68 purposes is higher than the MERS assumed rate of return. This is because for GASB Statement No. 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 Head

1/1/2021	FMLA - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Workers Compensation - Service Granted
1/1/2021	Service Credit Qualification - 75 hours
1/1/2021	Custom Wages
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

1/1/2021	FMLA - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Workers Compensation - Service Granted
1/1/2021	Service Credit Qualification - 75 hours
1/1/2021	Custom Wages
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)



10 - Gnrl Crth

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

1/1/2021	FMLA - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Workers Compensation - Service Granted
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Custom Wages
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

1/1/2021	FMLA - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Workers Compensation - Service Granted
1/1/2021	Service Credit Qualification - 75 hours
1/1/2021	Custom Wages
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)



12 - AFSCME

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

1/1/2021	FMLA - Service Granted
1/1/2021	Workers Compensation - Service Granted
1/1/2021	Service Credit Qualification - 75 hours
1/1/2021	Custom Wages
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
7/1/2004	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

1/1/2021	FMLA - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Workers Compensation - Service Granted
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Custom Wages
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)



14 - Disptchrs

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%

Miscellaneous and Technical Assumptions

Loads – None.

Amortization Policy for Closed Not Linked Divisions: The default funding policy for closed not linked divisions, including open divisions with zero active members, is to follow a non-accelerated amortization, where each closed period decreases by one year each year until the period is exhausted. In select instances, closed not linked division(s) may follow an accelerated amortization policy.

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:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
1. Ratio of the market value of assets to total payroll	26.1	24.1	20.6	16.1
2. Ratio of actuarial accrued liability to payroll	26.4	25.2	22.0	17.6
3. Ratio of actives to retirees and beneficiaries	0.2	0.2	0.2	0.3
4. Ratio of market value of assets to benefit payments	14.3	13.4	13.0	13.6
5. Ratio of net cash flow to market value of assets (boy)	-6.6%	-7.1%	-7.2%	-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 actives 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 Public Act 202 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 and on the State [website](#).

Form 5572		
Line Reference	Description	Result
10	Membership as of December 31, 2021	
11	Indicate number of active members	27
12	Indicate number of inactive members (excluding pending refunds)	20
13	Indicate number of retirees and beneficiaries	138
14	Investment Performance for Calendar Year Ending December 31, 2021¹	
15	Enter actual rate of return - prior 1-year period	14.13%
16	Enter actual rate of return - prior 5-year period	9.96%
17	Enter actual rate of return - prior 10-year period	9.11%
18	Actuarial Assumptions	
19	Actuarial assumed rate of investment return ²	7.00%
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 ³	10
22	Is each division within the system closed to new employees? ⁴	Yes
23	Uniform Assumptions	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$41,713,459
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions ⁵	\$46,285,405
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending June 30, 2022	\$607,404

1. The Municipal Employees’ Retirement System’s investment performance has been provided to GRS from MERS Investment Staff and is included here for reporting purposes. The investment performance figures reported are net of investment expenses 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), “no.”
5. Line 25 actuarial accrued liability is determined under PA 202 uniform assumptions which differ from the valuation assumptions. In particular, the assumed rate of return for PA 202 purposes is 6.85%.

