



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
ANNUAL ACTUARIAL VALUATION REPORT DECEMBER 31, 2015
BENZIE CRC (1001)



Spring, 2016

Benzie CRC

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 as of December 31, 2015. The report includes the determination of liabilities and contribution rates resulting from the participation of Benzie CRC (1001) in the Municipal Employees' Retirement System of Michigan ("MERS"). MERS is a nonprofit organization, independent from the State, that has provided retirement plans for municipal employees for more than 65 years. Benzie CRC is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees under the Michigan Constitution and the MERS Plan Document.

The purpose of the December 31, 2015 annual actuarial valuation is to:

- Measure funding progress
- Establish contribution requirements for the fiscal year beginning January 1, 2017
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements

This valuation report should not be relied upon for any other purpose. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

The valuation uses financial data, plan provision data, and participant data as of December 31, 2015 furnished by MERS. In accordance with Actuarial Standards of Practice No. 23, the data was checked for internal and year to year consistency as well as general reasonableness, but was not otherwise audited. CBIZ Retirement Plan Services does not assume responsibility for the accuracy or completeness of the data used in this valuation.

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study. The most recent study was completed in 2015, and this December 31, 2015 valuation report reflects changes in assumptions and methods. Please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:

www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2015AnnualActuarialValuation-Appendix.pdf.



The actuarial assumptions used for this valuation produce results that we believe are reasonable.

To the best of our knowledge, this report is complete and accurate, was prepared in conformity with generally recognized actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and is in compliance with Act No. 220 of the Public Acts of 1996, as amended, and the MERS Plan Document as revised. All of the undersigned are members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. 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 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). CBIZ Retirement Plan Services is not responsible for the consequences of any unauthorized use.

You should notify MERS if you disagree with anything contained in the report or are aware of any information that would affect the results of the report that have not been communicated to us. 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,

Cathy Nagy, MAAA, FSA
Jim Koss, MAAA, ASA
Curtis Powell, MAAA, EA
Alan Sonnanstine, MAAA, ASA

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Executive Summary

New Actuarial Assumptions and Methods

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study. The Experience Study is a comprehensive, detailed analysis that reviews MERS' funding policy and compares actual experience with the current actuarial assumptions; the study recommends adjustments as necessary. The most recent study was completed in 2015, and this December 31, 2015 valuation report reflects several changes in actuarial assumptions.

The main assumption and method changes were:

- The mortality table was adjusted to reflect longer lifetimes.
- The assumed annual rate of investment return, net of all expenses, was lowered from 8% to 7.75%.
- The asset smoothing was changed from 10 to 5 years.
- The amortization period was moved to a fixed period amortization for the December 31, 2014 annual valuations.
 - o The period will continue to gradually decrease for both open and closed divisions until the current unfunded accrued liability (UAL) is completely paid off.
 - o Moving to this type of "fixed period amortization" means that all unfunded liabilities will be fully funded by a specific date in the future.
 - o Once the amortization period drops below 15 years (10 years for closed divisions), any future liability and asset gains or losses will be spread over a 15-year fixed period for open divisions and a 10-year fixed period for closed divisions — creating "layers" of UAL on an annual basis.
 - o This transparent method allows tracking of what changed your UAL, and sets a fixed period in time in which that UAL change will be fully funded.

Various other actuarial assumptions were revised, but the revisions had a smaller impact than the two assumption changes above (first two bullets). For a summary of all of the actuarial assumptions and methods, please refer to the division-specific assumptions described on the last page of this report, and to the [Appendix](#).

The new amortization period layers and the new 5-year asset smoothing do not impact this 2015 annual valuation, other than the 6 year projections. These method changes will first impact the December 31, 2016 annual valuations.

The impacts of the assumption changes on the funded ratio and the required employer contributions are displayed on the next few pages. While these changes in assumptions will mean larger liabilities and contributions than anticipated by the prior assumptions for most employers, they will ensure each employer makes reasonable progress towards funding the unfunded liabilities of the employer. When

discussing changes in assumptions it is important to remember that, although the assumptions used impact the annual contributions, the true cost of the plan will be based on what will actually happen in the future – independent of the assumptions used. MERS recognizes that many municipalities are already taking steps to reduce their UAL. The MERS Board approved a “phase in” of the total impact of the assumption changes over the next 5 years (impacting fiscal years beginning 2017 – 2021) as an option for you. Of course, if the employer pays less in the first 4 years, they will likely have to pay somewhat more in later years.

MERS created a dedicated resource page on their website, www.mersofmich.com, regarding this topic, with links to frequently asked questions, upcoming events and additional details.

Impacts from the Assumption Changes

The new actuarial assumptions changed your December 31, 2015 percent funded from 41% to 39%, a change of -2%.

The new assumptions changed your total monthly employer contribution requirement, before any phase-in, from \$28,991 to \$32,352, a change of \$3,361 (a 12% increase). Under the 5-year phase-in the first year increase is instead 2% (from \$28,991 to \$29,664 monthly).

Additional detail is shown on the following pages.

Funded Ratio and Required Employer Contributions

The MERS Defined Benefit Plan is an agent multiple-employer plan, meaning that assets are pooled for investment purposes but separate accounts are maintained for each individual employer. Each municipality is responsible for their own plan liabilities; MERS does not borrow from one municipality's account to pay for another.

The funded ratio of a plan is the percentage of the dollar value of the accrued benefits that is covered by the actuarial value of assets.

Your Funded Ratio:

For comparison purposes, we have included your December 31, 2015 funded ratio if it had been calculated under the previous assumptions. Note: Your actual funded level as of December 31, 2015 is the amount listed under the new assumptions.

	New Assumptions	Previous Assumptions	
	12/31/2015	12/31/2015	12/31/2014
Funded Ratio	39%	41%	40%

Michigan Law requires that pension plans be pre-funded, meaning money is set aside now to pay for future benefits. Pension plans are usually funded by employer and employee contributions, and investment income.

How quickly a plan attains the 100% funding goal depends on many factors such as:

- The current funded ratio
- The future experience of the plan
- The amortization period

It is more important to look at the trend in the funded ratio over a period of time than at a particular point in time.

Your Required Employer Contributions:

Your computed employer contributions are shown in the following table. Employee contributions, if any, are in addition to the computed employer contributions. Note: Your minimum required contribution is the amount listed under the new assumptions, with phase-in. For comparison purposes, we have included your computed employer contribution if it had been calculated under the previous assumptions.

	Percentage of Payroll				Monthly \$ Based on Valuation Payroll			
	New Assumptions		Previous Assumptions		New Assumptions		Previous Assumptions	
	Phase-in	Full Impact			Phase-in	Full Impact		
Valuation Date:	12/31/2015	12/31/2015	12/31/2015	12/31/2014	12/31/2015	12/31/2015	12/31/2015	12/31/2014
Fiscal Year Beginning:	January 1, 2017	January 1, 2017	January 1, 2017	January 1, 2016	January 1, 2017	January 1, 2017	January 1, 2017	January 1, 2016
Division								
01 - Gnrl Emp	-	-	-	-	\$ 20,500	\$ 22,404	\$ 20,022	\$ 20,704
11 - Commissioners	-	-	-	-	79	91	74	75
12 - Admin	-	-	-	-	6,325	6,977	6,163	6,268
HA - New hires after 7/1/20	5.23%	5.46%	5.18%	5.28%	2,760	2,880	2,732	1,743
Municipality Total					\$ 29,664	\$ 32,352	\$ 28,991	\$ 28,790

Under the new assumptions, both the full impact and the phased in employer contribution requirements are shown in the table above. The phase in allows the employer to spread the increase of the new actuarial assumptions over 5 fiscal years. By default, MERS will invoice you the phased in contribution amount. However, MERS strongly encourages employers to contribute more than the minimum required contribution, including paying the full amount of the impact of the changes, if possible.

Employee contribution rates reflected in the valuations are shown below:

Valuation Date:	Employee Contribution Rate	
	12/31/2015	12/31/2014
Division		
01 - Gnrl Emp	0.00%	0.00%
11 - Commissioners	2.82%	2.82%
12 - Admin	0.00%	0.00%
HA - New hires after 7/1/20	0.00%	0.00%

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

Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the entire employer would be \$ 54,500, instead of \$ 32,352.
- To accelerate to a 100% funding ratio in 20 years, estimated monthly employer contributions for the entire employer would be \$ 34,838, instead of \$ 32,352.

If you are interested in making additional contributions, please contact MERS and they can assist you with evaluating your options.

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

Actuarial valuations do not affect the ultimate cost of the plan; the benefit payments (current and future) determine the cost of the plan. Actuarial valuations only affect the timing of the contributions into the plan. Because assumptions are for the long term, plan experience will not match the actuarial assumptions in any given year (except by coincidence). Each annual actuarial valuation will adjust the required employer contributions up or down based on the prior year's actual experience.

Comments on Asset Smoothing

The actuarial value of assets, used to determine both your funded ratio and your required employer contribution, is based on a smoothed value of assets (10-year smoothing prior to 2016; 5-year smoothing beginning in 2016). A smoothing method reduces the volatility of the valuation results, which affects your required employer contribution and funded ratio. The smoothed actuarial rate of return for 2015 was 5.21%.

As of December 31, 2015 the actuarial value of assets is 113% of market value. 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.

If the December 31, 2015 valuation results were based on market value on that date instead of smoothed funding value: i) the funded percent of your entire municipality would be 34% (instead of 39%); and ii) your total employer contribution requirement for the fiscal year starting January 1, 2017 would be \$ 413,448 (instead of \$ 388,224).

The asset smoothing method is a powerful tool for reducing the volatility of your required employer contributions. **However, if the current 13% difference between the smoothed value and the market value of assets is not made up, the result would be gradual increases in your employer contribution requirement over the next few years (to around the levels described above).**

Risk Characteristics of Defined Benefit Plans

It is important to understand that retirement plans, by their nature, are exposed to certain risks. While risks cannot be eliminated entirely, they can be mitigated through various strategies. Below are a few examples of risk (this is not an all-inclusive list):

- Economic - investment return, wage inflation, etc.
- Demographic - longevity, disability, retirement, etc.
- Plan Sponsor and Employees - contribution volatility, attract/retain employees, etc.

The MERS Retirement Board adopts certain assumptions and methods to mitigate the economic and demographic risks, and the contribution volatility risks. For example, the investment risk is the largest economic risk and is mitigated by having a balanced portfolio and a clearly defined investment strategy. Demographic risks vary based on the age of the workforce and are mitigated by preparing special studies called experience studies on a regular basis to determine if the assumptions used are reasonable compared to the experience. Risk may be mitigated through a plan design that provides benefits that are sustainable in the long run. An Experience Study is completed every five years to review the assumptions and methods. The next Experience Study will be completed in 2020.

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.

The analysis in this section is intended to review the potential volatility of the actuarial valuation results. 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.

Many assumptions are important in determining the required employer contributions.

For example:

- Lower investment returns would result in higher required employer contributions, and vice-versa.

- Smaller than projected pay increases would lower required employer contributions.
- Reductions in the number of active employees would lower required contribution dollars, but would usually increase the contribution rate expressed as a percentage of (the now lower) payroll.
- Retirements at earlier ages than projected would usually increase required employer contributions.
- More non-vested terminations of employment than projected would decrease required contributions.
- More disabilities or survivor (death) benefits than projected would increase required contributions.
- Longer lifetimes after retirement than projected would increase required employer contributions.

In the table below, we show the impact of varying one actuarial assumption: the future annual rate of investment return. Lower investment returns would result in higher required employer contributions, and vice-versa.

The relative impact of each investment return 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, 2015 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.

	Assumed Future Annual Smoothed Rate of Investment Return			
	Lower Future Annual Returns		Valuation Assumption	Higher Returns
	5.75%	6.75%	7.75%	8.75%
12/31/2015 Valuation Results				
Accrued Liability	\$ 9,196,264	\$ 8,348,620	\$ 7,624,779	\$ 7,002,303
Valuation Assets	\$ 2,950,579	\$ 2,950,579	\$ 2,950,579	\$ 2,950,579
Unfunded Accrued Liability	\$ 6,245,685	\$ 5,398,041	\$ 4,674,200	\$ 4,051,724
Funded Ratio	32%	35%	39%	42%
Monthly Normal Cost	\$ 9,383	\$ 7,576	\$ 6,156	\$ 5,020
Monthly Amortization Payment	\$ 28,969	\$ 27,609	\$ 26,196	\$ 24,660
Total Employer Contribution¹	\$ 38,352	\$ 35,185	\$ 32,352	\$ 29,680

¹ If assets exceed accrued liabilities for a division, the division's amortization payment is negative and is used 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.

Six Year Projection Scenarios

The table on the following page illustrates the plan's projected liabilities and computed employer contributions for the next six fiscal years, under the new actuarial assumptions and under three future economic/assumption scenarios. All four projections take into account the past financial losses that will continue to affect the smoothed rate of return for the next four years. Under the 7.75% scenarios, two sets of projections are shown:

- Based on the phase-in over 5 fiscal years (beginning in 2017) of the increased contribution requirements associated with the new actuarial assumptions. This projects your minimum required contribution.
- Based on no phase-in of the increased contribution requirements.

The 7.75% scenarios provide 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 6.75% and 5.75% projections provide an indication of the potential required employer contribution if MERS were to realize investment returns of 6.75% and 5.75% over the long-term.

Valuation Year Ending 12/31	Fiscal Year Beginning 1/1	Actuarial Accrued Liability	Valuation Assets	Funded Percentage	Computed Annual Employer Contribution
7.75% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
WITH 5-YEAR PHASE-IN					
2015	2017	\$ 7,624,779	\$ 2,950,579	39%	\$ 355,968
2016	2018	7,671,717	2,819,322	37%	387,816
2017	2019	7,716,799	2,677,048	35%	419,940
2018	2020	7,723,341	2,519,870	33%	451,908
2019	2021	7,722,837	2,384,080	31%	483,876
2020	2022	7,711,993	2,333,700	30%	543,468
NO 5-YEAR PHASE-IN					
2015	2017	\$ 7,624,779	\$ 2,950,579	39%	\$ 388,224
2016	2018	7,671,717	2,819,322	37%	409,692
2017	2019	7,716,799	2,713,075	35%	431,640
2018	2020	7,723,341	2,581,248	33%	454,260
2019	2021	7,722,837	2,460,424	32%	477,504
2020	2022	7,711,993	2,418,045	31%	495,168
6.75% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
NO 5-YEAR PHASE-IN					
2015	2017	\$ 8,348,620	\$ 2,950,579	35%	\$ 422,220
2016	2018	8,388,208	2,791,903	33%	443,676
2017	2019	8,425,242	2,695,896	32%	465,480
2018	2020	8,423,180	2,574,291	31%	487,968
2019	2021	8,413,707	2,463,308	29%	511,236
2020	2022	8,393,575	2,434,199	29%	529,800
5.75% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
NO 5-YEAR PHASE-IN					
2015	2017	\$ 9,196,264	\$ 2,950,579	32%	\$ 460,224
2016	2018	9,225,683	2,764,473	30%	481,908
2017	2019	9,251,888	2,683,281	29%	503,556
2018	2020	9,238,500	2,576,501	28%	526,236
2019	2021	9,217,405	2,479,611	27%	549,828
2020	2022	9,185,408	2,457,381	27%	569,976

Employer Contribution Details (Without a 5-year Phase-In) For the Fiscal Year Beginning January 1, 2017

Table 1

Division	Amort. Period for Unfund. Liab. ^{4,5}	Employer Contributions ¹			Blended Employer Contribut. ⁶	Employee Contribution Rate	Employee Contribut. Conversion Factor ²
		Normal Cost	Unfunded Accrued Liability	Total Computed Employer Contribut.			
Percentage of Payroll							
01 - Gnrl Emp	23	-	-	-	35.72%	0.00%	
11 - Commissioners	23	-	-	-	35.72%	2.82%	
12 - Admin	23	-	-	-	35.72%	0.00%	
HA - New hires after 7/	23	5.50%	-0.04%	5.46%	35.72%	0.00%	0.91%
Estimated Monthly Contribution³							
01 - Gnrl Emp	23	\$ 2,362	\$ 20,042	\$ 22,404			
11 - Commissioners	23	14	77	91			
12 - Admin	23	879	6,098	6,977			
HA - New hires after 7/	23	2,901	(21)	2,880			
Total Municipality		\$ 6,156	\$ 26,196	\$ 32,352			
Estimated Annual Contribution³							
		\$ 73,872	\$ 314,352	\$ 388,224			

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, 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 If projected assets exceed projected liabilities as of the beginning of the January 1, 2017 fiscal year, the negative unfunded accrued liability is amortized (spread) over 10 years. This amortization is used to reduce the employer contribution rate. 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.

⁵ If the division is closed to new hires, with new hires not covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the amortization period will decrease as follows: Under Amortization Option A, the period will decrease by 2 years each valuation year, until it reaches 6 or 5 years. Then it decreases by 1 year each valuation year until the UAL is paid off. Under Amortization Option B, the period will decrease by 2 years each valuation year, until it reaches 16 or 15 years. Thereafter, the period will reduce by 1 year each valuation year, until the UAL is paid off. This will result in amortization payments that increase faster than the usual 3.75% each year. If the division is closed to new hires, with new hires (and transfers) covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the standard open division amortization period will apply.

⁶ For linked divisions, the employer will be invoiced the Total Required Employer Contribution 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 800-767-2308.

Note that the Employer Contribution Details shown in Table 1 do **not** reflect phase-in over 5 fiscal years (beginning in 2017) of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 1 above. The contribution requirements including the 5-year phase-in are shown on page 8.

Please see the Comments on Asset Smoothing.

Benefit Provisions

Table 2

01 - Gnrl Emp: Closed to new hires, linked to Division HA

	2015 Valuation	2014 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):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	0%	0%
Act 88:	No	No

11 - Commissioners: Closed to new hires, linked to Division HA

	2015 Valuation	2014 Valuation
Benefit Multiplier:	1.50% Multiplier (no max)	1.50% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	-	-
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	2.82%	2.82%
Act 88:	No	No

12 - Admin: Closed to new hires, linked to Division HA

	2015 Valuation	2014 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):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	0%	0%
Act 88:	No	No

Table 2 (continued)**HA - New hires after 7/1/2011: Open Division, linked to Division 01, 11, 12**

	2015 Valuation	2014 Valuation
Benefit Multiplier:	Hybrid Plan - 1.00% Multiplier	Hybrid Plan - 1.00% Multiplier
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	-	-
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	0%	0%
Act 88:	No	No

Participant Summary

Table 3

Division	2015 Valuation		2014 Valuation		2015 Valuation		
	Number	Annual Payroll ¹	Number	Annual Payroll ¹	Average Age	Average Benefit Service ²	Average Eligibility Service ²
01 - Gnrl Emp							
Active Employees	9	\$ 345,589	13	\$ 480,629	51.8	16.5	16.6
Vested Former Employees	6	63,982	2	25,052	52.5	14.0	14.2
Retirees and Beneficiaries	31	441,668	29	441,668	68.0		
11 - Commissioners							
Active Employees	2	\$ 10,261	2	\$ 10,261	66.6	20.4	20.4
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	2	1,321	2	1,321	82.0		
12 - Admin							
Active Employees	3	\$ 125,218	3	\$ 128,195	54.9	13.4	13.4
Vested Former Employees	2	28,195	2	28,195	49.0	12.3	12.3
Retirees and Beneficiaries	7	148,244	7	148,244	65.5		
HA - New hires after 7/1/							
Active Employees	14	\$ 528,961	10	\$ 396,226	46.3	1.9	4.3
Vested Former Employees	1	2,239	0	0	38.1	3.1	14.3
Retirees and Beneficiaries	0	0	0	0	0.0		
Total Municipality							
Active Employees	28	\$ 1,010,029	28	\$ 1,015,311	50.4	9.2	10.4
Vested Former Employees	9	94,416	4	53,247	50.1	12.4	13.8
Retirees and Beneficiaries	40	591,233	38	591,233	68.3		
Total Participants	77		70				

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

² Description can be found under Miscellaneous and Technical Assumptions in the [Appendix](#).

Reported Assets (Market Value)

Table 4

Division	2015 Valuation		2014 Valuation	
	Employer and Retiree ¹	Employee ²	Employer and Retiree ¹	Employee ²
01 - Gnrl Emp	\$ 1,615,958	\$ 58,146	\$ 1,785,948	\$ 57,771
11 - Commissioners	17,226	1,302	17,995	1,006
12 - Admin	838,487	0	852,578	0
HA - New hires after 7/1/2011	67,635	0	43,157	0
Municipality Total	\$ 2,539,306	\$ 59,448	\$ 2,699,678	\$ 58,777
Combined Reserves	\$ 2,598,754		\$ 2,758,455	

¹ Reserve for Employer Contributions and Benefit Payments

² Reserve for Employee Contributions

The December 31, 2015 valuation assets are equal to 1.135382 times the reported market value of assets (compared to 1.059937 as of December 31, 2014). The derivation of valuation assets is described, and detailed calculations of valuation assets are shown, in the [Appendix](#).

Flow of Valuation Assets

Table 5

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2005	\$ 220,216		\$ 0	\$ 173,031	\$ (251,915)	\$ 0	\$ 0	\$ 2,830,180
2006	217,681		0	226,623	(313,367)	0	33,887	2,995,004
2007	234,987		0	241,827	(361,874)	0	0	3,109,944
2008	243,685		0	128,909	(397,808)	0	0	3,084,730
2009	270,995		0	110,651	(410,143)	0	25,621	3,081,854
2010	264,836		0	139,372	(418,728)	0	0	3,067,334
2011	248,187	\$ 26,612	210	136,314	(454,877)	0	25,251	3,049,031
2012	275,641	33,330	2,836	126,772	(473,027)	0	30,995	3,045,578
2013	304,784	39,996	(2,126)	159,646	(546,580)	0	0	3,001,298
2014	311,930	39,996	289	156,830	(586,554)	0	0	2,923,789
2015	337,417	138,112	289	142,205	(591,233)	0	0	2,950,579

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.

In the actuarial valuation additional employer contributions are combined with required contributions and used to reduce computed future required employer contributions.

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

Actuarial Accrued Liabilities and Valuation Assets As of December 31, 2015

Table 6

Division	Actuarial Accrued Liability	Valuation Assets ¹	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
01 - Gnrl Emp				
Active Employees	\$ 960,346	\$ 31,299	3.3%	\$ 929,047
Vested Former Employees	462,618	26,007	5.6%	436,611
Retirees And Beneficiaries	4,054,856	1,842,603	45.4%	2,212,253
Pending Refunds	<u>839</u>	<u>839</u>	100.0%	<u>0</u>
Total	\$ 5,478,659	\$ 1,900,748	34.7%	\$ 3,577,911
11 - Commissioners				
Active Employees	\$ 26,756	\$ 13,318	49.8%	\$ 13,438
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	7,718	7,718	100.0%	0
Pending Refunds	<u>0</u>	<u>0</u>	0.0%	<u>0</u>
Total	\$ 34,474	\$ 21,036	61.0%	\$ 13,438
12 - Admin				
Active Employees	\$ 290,421	\$ 0	0.0%	\$ 290,421
Vested Former Employees	126,109	0	0.0%	126,109
Retirees And Beneficiaries	1,621,218	952,003	58.7%	669,215
Pending Refunds	<u>0</u>	<u>0</u>	0.0%	<u>0</u>
Total	\$ 2,037,748	\$ 952,003	46.7%	\$ 1,085,745
HA - New hires after 7/1/2011				
Active Employees	\$ 69,362	\$ 72,256	104.2%	\$ (2,894)
Vested Former Employees	4,536	4,536	100.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	<u>0</u>	<u>0</u>	0.0%	<u>0</u>
Total	\$ 73,898	\$ 76,792	103.9%	\$ (2,894)
Total Municipality				
Active Employees	\$ 1,346,885	\$ 116,873	8.7%	\$ 1,230,012
Vested Former Employees	593,263	30,543	5.1%	562,720
Retirees and Beneficiaries	5,683,792	2,802,324	49.3%	2,881,468
Pending Refunds	<u>839</u>	<u>839</u>	100.0%	<u>0</u>
Total Participants	\$ 7,624,779	\$ 2,950,579	38.7%	\$ 4,674,200
The following results show the combined accrued liabilities and assets for each set of linked divisions. These results are already included in the table above.				
Linked Divisions HA, 01, 11, 12				
Active Employees	\$ 1,346,885	\$ 116,873	8.7%	\$ 1,230,012
Vested Former Employees	593,263	30,543	5.1%	562,720
Retirees and Beneficiaries	5,683,792	2,802,324	49.3%	2,881,468
Pending Refunds	<u>839</u>	<u>839</u>	100.0%	<u>0</u>
Total	\$ 7,624,779	\$ 2,950,579	38.7%	\$ 4,674,200

¹ Includes both employer and employee assets.

Please see the Comments on Asset Smoothing.

See the MERS Fiscal Responsibility Policy on the MERS website at:

http://www.mersofmich.com/Portals/0/Assets/PageResources/MERS/PlanDocument/Pension/MERSPlanDocument_Section46.pdf .

Actuarial Accrued Liabilities - Comparative Schedule

Table 7

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2001	\$ 3,769,833	\$ 2,253,259	60%	\$ 1,516,574
2002	4,093,879	2,310,321	56%	1,783,558
2003	4,830,963	2,505,519	52%	2,325,444
2004	5,371,854	2,688,848	50%	2,683,006
2005	5,809,295	2,830,180	49%	2,979,115
2006	6,190,918	2,995,004	48%	3,195,914
2007	6,374,895	3,109,944	49%	3,264,951
2008	6,540,206	3,084,730	47%	3,455,476
2009	6,634,473	3,081,854	46%	3,552,619
2010	6,640,819	3,067,334	46%	3,573,485
2011	6,856,191	3,049,031	44%	3,807,160
2012	6,965,380	3,045,578	44%	3,919,802
2013	7,178,769	3,001,298	42%	4,177,471
2014	7,307,234	2,923,789	40%	4,383,445
2015	7,624,779	2,950,579	39%	4,674,200

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

Division 01 - Gnrl Emp

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2005	\$ 4,355,472	\$ 2,191,186	50%	\$ 2,164,286
2006	4,666,089	2,285,026	49%	2,381,063
2007	4,721,641	2,322,777	49%	2,398,864
2008	4,840,860	2,268,539	47%	2,572,321
2009	4,891,277	2,214,221	45%	2,677,056
2010	4,790,796	2,176,773	45%	2,614,023
2011	4,941,261	2,134,701	43%	2,806,560
2012	5,038,459	2,113,218	42%	2,925,241
2013	5,211,898	2,046,549	39%	3,165,349
2014	5,294,688	1,954,226	37%	3,340,462
2015	5,478,659	1,900,748	35%	3,577,911

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 ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2005	24	\$ 773,404	22.28%	0.00%
2006	22	751,794	24.41%	0.00%
2007	20	715,153	25.64%	0.00%
2008	19	710,536	27.24%	0.00%
2009	19	726,556	27.50%	0.00%
2010	19	710,395	27.53%	0.00%
2011	18	672,855	\$ 17,956	0.00%
2012	17	662,329	\$ 18,723	0.00%
2013	15	576,764	\$ 20,009	0.00%
2014	13	480,629	\$ 20,704	0.00%
2015	9	345,589	\$ 22,404	0.00%

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 valuation do **not** reflect phase-in over 5 fiscal years (beginning in 2017) 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 8.

See the Benefit Provision History on page 31 for past benefit provision changes.

Division 11 - Commissioners

Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2005	\$ 31,553	\$ 6,649	21%	\$ 24,904
2006	32,565	5,331	16%	27,234
2007	35,033	4,342	12%	30,691
2008	35,048	3,170	9%	31,878
2009	34,777	14,393	41%	20,384
2010	36,043	13,679	38%	22,364
2011	26,132	15,219	58%	10,913
2012	29,479	17,926	61%	11,553
2013	31,263	19,103	61%	12,160
2014	31,829	20,140	63%	11,689
2015	34,474	21,036	61%	13,438

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 ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2005	3	\$ 13,854	17.18%	0.00%
2006	3	13,854	18.22%	0.00%
2007	3	15,189	18.25%	0.00%
2008	3	14,922	18.70%	0.00%
2009	3	14,922	14.12%	0.00%
2010	3	14,922	15.17%	0.00%
2011	3	14,922	\$ 90	2.82%
2012	2	10,042	\$ 79	2.82%
2013	2	10,261	\$ 74	2.82%
2014	2	10,261	\$ 75	2.82%
2015	2	10,261	\$ 91	2.82%

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 valuation do **not** reflect phase-in over 5 fiscal years (beginning in 2017) 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 8.

See the Benefit Provision History on page 31 for past benefit provision changes.

Division 12 - Admin

Table 8-12: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2005	\$ 1,422,270	\$ 632,345	44%	\$ 789,925
2006	1,492,264	704,647	47%	787,617
2007	1,618,221	782,825	48%	835,396
2008	1,664,298	813,021	49%	851,277
2009	1,708,419	853,240	50%	855,179
2010	1,813,980	876,882	48%	937,098
2011	1,889,011	898,875	48%	990,136
2012	1,893,319	904,423	48%	988,896
2013	1,916,216	912,023	48%	1,004,193
2014	1,935,592	903,679	47%	1,031,913
2015	2,037,748	952,003	47%	1,085,745

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 ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2005	8	\$ 346,549	19.69%	0.00%
2006	8	341,420	20.00%	0.00%
2007	8	322,487	21.61%	0.00%
2008	7	315,122	22.62%	0.00%
2009	7	333,100	21.96%	0.00%
2010	6	258,305	27.96%	0.00%
2011	5	225,423	\$ 6,211	0.00%
2012	3	114,253	\$ 5,603	0.00%
2013	3	119,137	\$ 5,901	0.00%
2014	3	128,195	\$ 6,268	0.00%
2015	3	125,218	\$ 6,977	0.00%

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 valuation do **not** reflect phase-in over 5 fiscal years (beginning in 2017) 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 8.

See the Benefit Provision History on page 31 for past benefit provision changes.

Division HA - New hires after 7/1/2011

Table 8-HA: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2011	\$ (213)	\$ 236	-111%	\$ (449)
2012	4,123	10,011	243%	(5,888)
2013	19,392	23,623	122%	(4,231)
2014	45,125	45,744	101%	(619)
2015	73,898	76,792	104%	(2,894)

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

Table 9-HA: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2011	1	\$ 46,470	5.48%	0.00%
2012	4	192,934	5.24%	0.00%
2013	7	275,932	5.34%	0.00%
2014	10	396,226	5.28%	0.00%
2015	14	528,961	5.46%	0.00%

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 valuation do **not** reflect phase-in over 5 fiscal years (beginning in 2017) 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 8.

See the Benefit Provision History on page 31 for past benefit provision changes.

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 www.mersofmich.com.

Actuarial Valuation Date:	12/31/2015
Measurement Date of Total Pension Liability (TPL):	12/31/2015

At 12/31/2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	40
Inactive employees entitled to but not yet receiving benefits:	9
Active employees:	<u>28</u>
	77

Total Pension Liability as of 12/31/2014 measurement date:	\$	7,151,645
Total Pension Liability as of 12/31/2015 measurement date:	\$	7,460,412
Service Cost for the year ending on the 12/31/2015 measurement date:	\$	65,231

Change in the Total Pension Liability due to:

- Benefit changes ¹ :	\$	0
- Differences between expected and actual experience ² :	\$	(83,146)
- Changes in assumptions ² :	\$	349,601

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.

Average expected remaining service lives of all employees (active and inactive):	3
Covered employee payroll: (Needed for Required Supplementary Information)	\$ 1,010,029

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Change in Net Pension Liability as of 12/31/2015:	\$ 696,604	-	\$ (600,057)

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.

GASB 68 Information

This page is for those municipalities who need to “roll-forward” their total pension liability due to the timing of completion of the actuarial valuation in relation to their fiscal year-end.

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 www.mersofmich.com.

Actuarial Valuation Date:	12/31/2015
Measurement Date of Total Pension Liability (TPL):	12/31/2016

At 12/31/2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	40
Inactive employees entitled to but not yet receiving benefits:	9
Active employees:	<u>28</u>
	<u>77</u>

Total Pension Liability as of 12/31/2015 measurement date:	\$	7,195,275
Total Pension Liability as of 12/31/2016 measurement date:	\$	7,507,329
Service Cost for the year ending on the 12/31/2016 measurement date:	\$	65,643
Change in the Total Pension Liability due to:		
- Benefit changes ¹ :	\$	0
- Differences between expected and actual experience ² :	\$	(91,432)
- Changes in assumptions ² :	\$	362,702

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.

Average expected remaining service lives of all employees (active and inactive):	3
Covered employee payroll: (Needed for Required Supplementary Information)	\$ 1,010,029

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Change in Net Pension Liability as of 12/31/2016:	\$ 689,631	-	\$ (595,015)

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 - Gnrl Emp

1/1/2006	E 2% COLA Adopted (01/01/2006)
6/1/2005	Benefit F55 (With 25 Years of Service)
1/1/2005	E 2% COLA Adopted (01/01/2005)
1/1/2004	E 2% COLA Adopted (01/01/2004)
1/1/2003	E 2% COLA Adopted (01/01/2003)
1/1/2003	Benefit B-2
1/1/2002	E 2% COLA Adopted (01/01/2002)
1/1/2001	E 2% COLA Adopted (01/01/2001)
1/1/2000	Flexible E 1% COLA Adopted (01/01/2000)
3/21/1994	Exclude Temporary Employees
7/1/1993	Fiscal Month - January
7/1/1993	Benefit C-1 (New)
7/1/1993	Member Contribution Rate 0.00%
7/1/1993	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1993	10 Year Vesting

11 - Commissioners

7/1/2011	Member Contribution Rate 2.82%
1/1/2006	E 2% COLA Adopted (01/01/2006)
1/1/2005	E 2% COLA Adopted (01/01/2005)
1/1/2004	E 2% COLA Adopted (01/01/2004)
1/1/2003	E 2% COLA Adopted (01/01/2003)
1/1/2002	E 2% COLA Adopted (01/01/2002)
10/1/1998	Benefit FAC-5 (5 Year Final Average Compensation)
10/1/1998	10 Year Vesting
10/1/1998	Benefit C-1 (New)
10/1/1998	Member Contribution Rate 0.00%
9/10/1998	Day of work defined as 1 Hour a Month for All employees.
7/1/1993	Fiscal Month - January

12 - Admin

1/1/2006	E 2% COLA Adopted (01/01/2006)
1/1/2005	E 2% COLA Adopted (01/01/2005)
1/1/2004	E 2% COLA Adopted (01/01/2004)
1/1/2003	E 2% COLA Adopted (01/01/2003)
12/31/2000	Benefit FAC-3 (3 Year Final Average Compensation)
12/31/2000	10 Year Vesting
12/31/2000	Benefit B-2
12/31/2000	Benefit F55 (With 25 Years of Service)
12/31/2000	Member Contribution Rate 0.00%

12 - Admin

7/1/1993 Fiscal Month - January

HA - New hires after 7/1/2011

10/1/2015 Hybrid Elapsed Time
7/1/2011 Benefit FAC-3 (3 Year Final Average Compensation)
7/1/2011 Loans
7/1/2011 Pickup
7/1/2011 Rollovers
7/1/2011 6 Year Vesting
7/1/2011 1.0% Multiplier
7/1/1993 Fiscal Month - January

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	2.00%

Withdrawal Rate Scaling Factor

Division	Withdrawal Rate Scaling Factor
All Divisions	100%

Miscellaneous and Technical Assumptions

Loads – None.