



THE FIREFIGHTERS' PENSION TRUST FUND OF THE CITY OF STAMFORD

GASB 67 AND GASB 68 DISCLOSURE

REPORTING AS OF JUNE 30, 2015





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All the items listed below are required by GASB 67 and GASB 68 but are not included in this report:

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Introduction and Certification

This report presents the results of the June 30, 2015 GASB 67 and GASB 68 Disclosure for The Firefighters' Pension Trust Fund of the City of Stamford (the Plan). The report is intended to satisfy the requirements of both GASB 67 and GASB 68. This report may not be appropriate for any other purpose.

The report has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with the Actuarial Standards Board Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this disclosure report, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Plan Sponsor or Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this disclosure report are based on the Plan as summarized in the Summary of Plan Provisions section of this report and the actuarial methods and assumptions detailed in the Description of Actuarial Methods and Procedures and Description of Actuarial Assumptions sections of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; 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. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Evan W. Woollcott, Jr., FCA, MAAA
Enrolled Actuary 14-04513

December 17, 2015



Money-Weighted Rate of Return June 30, 2015

Beg. Value 129,714,814 **Ending Value** 124,938,467

	Date	Employer Contributions	Employee Contributions	Benefit Payments	Admin. Expenses	Net External Cash Flows	Period Invested	Period Weight	Net External Cash Flows w/ Interest
Beg. of Yr.	7/1/2014						12	1.000	129,522,280
July	7/31/2014	3,515,000	66,534	(754,916)	(76,880)	2,749,738	11	0.917	2,745,996
August	8/31/2014	-	90,426	(768,908)	(87)	(678,569)	10	0.833	(677,730)
September	9/30/2014	-	117,939	(765,482)	(12,000)	(659,543)	9	0.750	(658,809)
October	10/31/2014	-	91,396	(765,201)	(72,365)	(746,170)	8	0.667	(745,431)
November	11/30/2014	-	92,008	(765,515)	(2,264)	(675,771)	7	0.583	(675,186)
December	12/31/2014	-	115,042	(764,715)	(6,000)	(655,673)	6	0.500	(655,186)
January	1/31/2015	-	99,739	(764,716)	(72,256)	(737,233)	5	0.417	(736,777)
February	2/28/2015	-	94,228	(764,715)	-	(670,487)	4	0.333	(670,155)
March	3/31/2015	-	114,803	(763,605)	(83)	(648,885)	3	0.250	(648,644)
April	4/30/2015	-	90,871	(763,602)	(72,888)	(745,619)	2	0.167	(745,434)
May	5/31/2015	-	90,145	(763,605)	-	(673,460)	1	0.083	(673,377)
June	6/30/2015	-	112,247	(763,709)	208,382	(443,080)	0	0.000	(443,080)
End of Yr.	6/30/2015	3,515,000	1,175,378	(9,168,689)	(106,441)				124,938,467

Money-Weighted Rate of Return

-0.1484%



Schedule of Investment Returns Last 2 Fiscal Years

	2015	2014
Annual money-weighted rate of return, net of investment expense	-0.15%	12.67%



Contributions Compared to ADEC and Payroll Schedule of Contributions Last 2 Fiscal Years

	2015	2014
Actuarially Determined Employer Contribution (ADEC)	\$ 3,575,000	\$ 3,119,000
Contributions in relation to the ADEC	<u>3,515,000</u>	<u>3,119,000</u>
Contribution deficiency (excess)	<u>\$ 60,000</u>	<u>\$ -</u>
Covered-employee payroll	\$ 20,981,143	\$ 21,475,500
Contributions as a percentage of covered-employee payroll	16.75%	14.52%



Discount Rate Calculation

The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contributions amounts are established by statute or contract or (b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are projected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency.

GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 7.25% interest rate assumption to discount plan liabilities.



Target Allocation and Expected Rate of Return

June 30, 2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Large Cap Equities	35.00%	4.75%	1.66%
International Equities	20.00%	5.25%	1.05%
Small Cap Equities	15.00%	5.50%	0.83%
High Quality Bonds	14.00%	2.00%	0.28%
International Income	2.00%	2.00%	0.04%
High Yield	2.00%	3.25%	0.07%
Emerging Markets	2.00%	3.50%	0.07%
Alternative Investments	10.00%	5.25%	0.53%
	100.00%		4.53%
Long-Term Inflation Expectation			3.00%
Long-Term Expected Nominal Return			7.53%

**Long-Term Returns are provided by HHIA. The returns are geometric means.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 7.25% and 7.75%. An expected rate of return of 7.25% was used.



Schedule of Changes in Net Pension Liability and Related Ratios Last 3 Fiscal Years

	2015	2014	2013
Total pension liability			
Service cost	\$ 3,053,426	\$ 2,964,491	\$ 2,878,147
Interest	12,773,960	12,287,263	11,806,488
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(4,349,248)	-	-
Changes of assumptions	2,792,894	-	-
Benefit payments, including refunds of member contributions	(9,168,689)	(8,956,725)	(8,192,407)
Net change in total pension liability	5,102,343	6,295,029	6,492,228
Total pension liability - beginning	166,270,668	159,975,639	153,483,411
Total pension liability - ending: (a)	<u>\$ 171,373,011</u>	<u>\$ 166,270,668</u>	<u>\$ 159,975,639</u>
Plan fiduciary net position			
Contributions - employer	\$ 3,515,000	\$ 3,119,000	\$ 2,340,000
Contributions - member	1,175,378	1,189,553	1,389,537
Net investment income	(191,595)	15,710,982	6,455,328
Benefit payments, including refunds of member contributions	(9,168,689)	(8,956,725)	(8,192,407)
Administrative expenses	(106,441)	(898,984)	-
Other	-	-	-
Net change in plan fiduciary net position	(4,776,347)	10,163,826	1,992,458
Plan fiduciary net position - beginning	129,714,814	119,550,988	117,558,530
Plan fiduciary net position - ending: (b)	<u>124,938,467</u>	<u>129,714,814</u>	<u>119,550,988</u>
Net pension liability - ending: (a) - (b)	<u>\$ 46,434,544</u>	<u>\$ 36,555,854</u>	<u>\$ 40,424,651</u>
Plan fiduciary net position as a percentage of the total pension liability	72.90%	78.01%	74.73%
Covered-employee payroll	\$ 20,981,143	\$ 21,475,500	\$ 20,850,000
Net pension liability as a percentage of covered-employee payroll	221.32%	170.22%	193.88%



Schedule of Net Pension Liability Last 4 Fiscal Years

	2015	2014	2013	2012
Total pension liability*	\$ 171,373,011	\$ 166,270,668	\$ 159,975,639	\$ 153,483,411
Plan fiduciary net position	124,938,467	129,714,814	119,550,988	117,558,530
Net pension liability (asset)	\$ 46,434,544	\$ 36,555,854	\$ 40,424,651	\$ 35,924,881
Plan fiduciary net position as percentage of total pension liability	72.90%	78.01%	74.73%	76.59%
Covered-employee payroll	\$ 20,981,143	\$ 21,475,500	\$ 20,850,000	\$ 22,638,000
Net pension liability as a % of covered-employee payroll	221.32%	170.22%	193.88%	158.69%



Disclosure Overview

	Plan's Funded Status			Deferred Outflows/(Inflows) of Resources			Recognized in Net Pension Liability	Recognized in Total Pension Expense
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	(Gains)/ Losses	Assumption Changes	Projected Net Investment Income		
Balances -- prior year disclosure	(166,270,668)	129,714,814	(36,555,854)	0	0	0	(36,555,854)	
Changes in net pension liability:								
Service cost	(3,053,426)		(3,053,426)					3,053,426
Interest	(12,773,960)		(12,773,960)					12,773,960
Net investment income		(191,595)	(191,595)					191,595
Contributions - employer		3,515,000	3,515,000				3,515,000	
Contributions - member		1,175,378	1,175,378					(1,175,378)
Benefit payments, including refunds of member contributions	9,168,689	(9,168,689)	0					
Administrative expense		(106,441)	(106,441)					106,441
Other		0	0					0
Recognized in total pension expense								
Differences between expected and actual experience				536,944			(536,944)	(536,944)
Changes of assumptions					(344,802)		344,802	344,802
Differences between projected and actual earnings on pension plan						(2,014,030)	2,014,030	2,014,030
Deferred outflows/inflows of resources								
Differences between expected and actual experience	4,349,248		4,349,248	(4,349,248)			4,349,248	
Changes of assumptions	(2,792,894)		(2,792,894)		2,792,894		(2,792,894)	
Differences between projected and actual earnings on pension plan						10,070,148	(10,070,148)	(10,070,148)
Total pension expense							(6,701,784)	6,701,784
Balances -- end of year	(171,373,011)	124,938,467	(46,434,544)	(3,812,304)	2,448,092	8,056,118	(46,434,544)	



Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	<u>\$ 166,270,668</u>	<u>\$ 129,714,814</u>	<u>\$ 36,555,854</u>
Changes for the year:			
Service cost	3,053,426		3,053,426
Interest	12,773,960		12,773,960
Differences between expected and actual experience	(4,349,248)		(4,349,248)
Changes of assumptions	2,792,894		2,792,894
Contributions - employer		3,515,000	(3,515,000)
Contributions - member		1,175,378	(1,175,378)
Net investment income		(191,595)	191,595
Benefit payments, including refunds of member contributions	(9,168,689)	(9,168,689)	-
Administrative expense		(106,441)	106,441
Other		-	-
Net changes	<u>5,102,343</u>	<u>(4,776,347)</u>	<u>9,878,690</u>
Balances at June 30, 2015	<u>\$ 171,373,011</u>	<u>\$ 124,938,467</u>	<u>\$ 46,434,544</u>



Components of the Pension Expense for the Fiscal Year Ended June 30, 2015

Description	Amount
Service cost	\$ 3,053,426
Interest on the total pension liability	12,773,960
Differences between expected and actual experience	(536,944)
Changes of assumptions	344,802
Member contributions	(1,175,378)
Projected earnings on pension plan investments	(9,878,553)
Differences between projected and actual earnings on plan investments	2,014,030
Pension plan administrative expense	106,441
Other changes in fiduciary net position	-
Total pension expense	\$ 6,701,784



**Increase (Decrease) in Pension Expense from the Recognition of the Effects
 of Differences Between Expected and Actual Experience**

Year	Differences between Expected and Actual Experience	Recognition Period (Years)	2015	2016	2017	2018	2019	2020	2021	2022
2015	\$ (4,349,248)	8.1	\$ (536,944)	\$ (536,944)	\$ (536,944)	\$ (536,944)	\$ (536,944)	\$ (536,944)	\$ (536,944)	\$ (536,944)
Net increase (decrease) in pension expense			<u>\$ (536,944)</u>	<u>\$ (536,944)</u>	<u>\$ (536,944)</u>	<u>\$ (536,944)</u>	<u>\$ (536,944)</u>	<u>\$ (536,944)</u>	<u>\$ (536,944)</u>	<u>\$ (536,944)</u>



Increase (Decrease) in Pension Expense from the Recognition of the Effects of Changes of Assumptions

Year	Changes of Assumptions	Recognition Period (Years)	2015	2016	2017	2018	2019	2020	2021	2022
2015	\$ 2,792,894	8.1	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802
Net increase (decrease) in pension expense			\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802	\$ 344,802



Increase (Decrease) in Pension Expense from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments

Year	Differences between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)	2015	2016	2017	2018	2019
2015	\$ 10,070,148	5	<u>\$ 2,014,030</u>	<u>\$ 2,014,030</u>	<u>\$ 2,014,030</u>	<u>\$ 2,014,030</u>	<u>\$ 2,014,028</u>
Net increase (decrease) in pension expense			<u><u>\$ 2,014,030</u></u>	<u><u>\$ 2,014,030</u></u>	<u><u>\$ 2,014,030</u></u>	<u><u>\$ 2,014,030</u></u>	<u><u>\$ 2,014,028</u></u>



Interest on the Total Pension Liability Recognized in Expense

	Amount for Period	Portion of Period	Interest Rate	Interest on the Total Pension Liability
Beginning total pension liability	\$ 166,270,668	100%	7.75%	\$ 12,885,977
Service cost	3,053,426	100	7.75	236,641
Benefit payments, including refunds of member contributions	(9,168,689)	50	7.75	<u>(348,658)</u>
Total interest on the pension liability				\$ 12,773,960

Projected Earnings on Pension Plan Investments Recognized in Expense

	Amount for Period	Portion of Period	Projected Rate of Return	Projected Earnings
Beginning plan fiduciary net position	\$ 129,714,814	100%	7.75%	\$ 10,052,898
Contributions - employer	3,515,000	50	7.75	133,665
Contributions - member	1,175,378	50	7.75	44,696
Benefit payments, including refunds of member contributions	(9,168,689)	50	7.75	<u>(348,658)</u>
Administrative expense and other	(106,441)	50	7.75	<u>(4,048)</u>
Total projected earnings				\$ 9,878,553



Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the recognized pension expense is \$6,701,784. As of June 30, 2015, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (3,812,304)
Changes of assumptions	\$ 2,448,092	
Net difference between projected and actual earnings on pension plan investments	<u>8,056,118</u>	
Total	<u>\$ 10,504,210</u>	<u>\$ (3,812,304)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ended June 30:	
2016	\$ 1,821,888
2017	1,821,888
2018	1,821,888
2019	1,821,886
2020	(192,142)
Thereafter	(403,502)



Deferred Outflows and Inflows of Resources from Differences between Expected and Actual Experience

Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2015		\$ (4,349,248)	\$ (536,944)		\$ (3,812,304)
				\$ -	\$ (3,812,304)



Deferred Outflows and Inflows of Resources from Changes of Assumptions

Year	Increases in the Total Pension Liability (a)	Decreases in the Total Pension Liability (b)	Amounts Recognized in Pension Expense through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2015	\$ 2,792,894		\$ 344,802	\$ 2,448,092	_____
				\$ 2,448,092	\$ _____



Deferred Outflows and Inflows of Resources from Differences between Projected and Actual Earnings on Pension Plan Investments

Year	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense through June 30, 2015 (c)	Balances at June 30, 2015	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2015	\$ 10,070,148		\$ 2,014,030	\$ 8,056,118	
				<u>\$ 8,056,118</u>	<u>\$ -</u>



Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Current Discount Rate (7.25%)	1% Decrease (6.25%)	1% Increase (8.25%)
Net pension liability as of June 30, 2015	\$ 46,434,544	\$ 67,107,849	\$ 29,048,400

Participant Breakdown as of July 1, 2014

	Participant Count
Inactive plan members or beneficiaries currently receiving benefits	223
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	257
Total members	480



Description of Significant Changes Prior to Year End

There were no significant plan changes since the last published valuation.

DROP Balances

Currently, there is no Deferred Retirement Option Plan (DROP). Therefore, the DROP balances are \$0.

Valuation Date and Roll Forward Process

The Plan Sponsor uses the July 1, 2013 Valuation to calculate the ADEC for fiscal 2015.

The July 1, 2014 Valuation directly calculated the July 1, 2014 Total Pension Liability (TPL). The July 1, 2014 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2015. The TPL as of June 30, 2015 was also adjusted to reflect any material plan changes after the valuation.

Funding Policy

The Plan Sponsor's Funding Policy is to contribute the ADEC.

Each year the Plan Sponsor pays the Normal Cost plus an amortization of the plan's UAL. For the July 1, 2014 Valuation, a "semi-closed" amortization method was used. The unfunded liability as of July 1, 2014 will be amortized over 15 years. Future changes in the unfunded liability will also be amortized over 15 years.

Assumption Selection

The selections of all assumptions used in determining the total pension liability were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The actuarial assumptions used in the valuation were based on the experience study as of July 1, 2013.



Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of Assets used in the development of the Actuarially Determined Contribution is designed to smooth out fluctuations in the market value. An Expected Actuarial Value of Assets is determined based on the prior year's Actuarial Value of Assets and the assumed interest rate equal to the valuation interest rate. The Actuarial Value of Assets is equal to the Expected Actuarial Asset Value plus 20% of the difference between the Market Value and the Expected Value. The Actuarial Value of Assets is limited to a minimum of 70% or a maximum of 130% of the Market Value.

Actuarial Cost Method

Funding Method - ADC

The actuarial method used to develop the Actuarially Determined Contribution (ADC) is the Projected Unit Credit Cost Method.

The Ongoing Annual Cost equals the total present value for all participants of the benefit accruing during the coming year, increased to reflect salaries projected to the assumed retirement date.

The Accrued Liability equals the present value of all benefits accrued to date, increased to reflect salaries for all active participants. The total Accrued Liability is reduced by plan assets to develop the Unfunded Accrued Liability.

The cost of amortizing the Unfunded Accrued Liability constitutes a portion of the Actuarially Determined Contribution.

The total Actuarial Determined Contribution equals the Ongoing Annual Cost, further increased by any positive amortization of the Unfunded Accrued Liability. The current amortization period is a closed period of 15 years (was previously an open period). Each future valuation will amortize any changes in the unfunded accrued liability due to actuarial experience, plan changes or assumption changes over 15 years.

Funding Method – GASB 67/68

As required by GASB 67/68, the Entry Age Normal Cost Method as a level percentage of pay was used. In addition, the market value of assets were used.



Description of Actuarial Assumptions

	Year Ending June 30, 2015	Year Ending June 30, 2014
Investment rate of return (net of investment-related and administrative expenses)	7.25%	7.75%
Rate of compensation increase (including inflation)	Graded Scale	Graded Scale

Inflation

3.0%.

This assumption is based on long term (1926-2013) historical inflation numbers. While near term averages have been lower, we do not believe this trend will continue indefinitely and expect that there will be a reversion to the long term average.

Mortality

RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.

Mortality Improvement

Projected to date of decrement using Scale AA (generational mortality).

We have selected a mortality table commonly used by public pension systems (such as the State of Connecticut).

We are using Scale AA because it is consistent with recent industry analysis of future mortality improvement based on Social Security data for years 1977-1993 and is commonly used with the RP-2000 Mortality Table.

Salary Scale

Current:

Service	Rate
0	15.0%
1-2	10.0%
3	9.0%
4	8.0%
5	7.0%
6	6.0%
7	6.0%
8	5.0%
9	4.0%
10+	3.5%



Salary Scale (continued)

Prior:

Age	Rate
20	6.50%
25	6.50%
30	5.85%
35	5.20%
40	4.55%
45	3.90%
50	3.25%
55+	3.00%

The salary increase assumption was based on the experience study as of July 1, 2013.

Payroll Growth Assumption

3% annually to project normal cost only.

Medicare Part B Reimbursements

3% increase assumption each year.

Retirement Age

Current:

Ret Rates by Years of Service*	
Years	Rate
25	0.040
26	0.000
27	0.040
28	0.040
29	0.040
30	0.040
31	0.040
32	0.180
33	0.110
34	0.380
35	0.100
36	0.220
37	0.000
38	0.290
39	0.200
40	1.000

** Retirement rate at age 65 is 1.00*

The retirement rates were based on the experience study that was performed as of July 1, 2013



Retirement Age (continued)

Prior:

Age	Retirement Rate
55	50%
56	50%
57	50%
58	50%
59	50%

An additional 40% is added upon attainment of age 48 and 20 years of service if hired after January 1, 1981 and 20 years of service if hired before January 1, 1981 and 100% of members remaining beyond the earlier of age 60 with 30 years of service or age 65 are assumed to retire.

Turnover

The following annual rates of turnover are assumed:

Age	Probability
20	5.44%
25	4.89%
30	3.70%
35	2.35%
40	0.00%
45	0.00%
50	0.00%
55	0.00%
60	0.00%

The turnover rates were validated by the experience study that was performed as of July 1, 2013.

Disability

The following annual rates of disability are assumed:

Age	Probability
20	0.05%
25	0.05%
30	0.05%
35	0.06%
40	0.09%
45	0.18%
50	0.40%
55	0.85%
60	1.74%



Survivorship

80% of employees assumed to be married, with wives 4 years younger than husbands.

Expenses

The return is assumed to be net of both administrative expenses and investment expenses. Therefore, a direct expense assumption has not been made.

Vacation Bank

60% of retirees are assumed to elect additional pension credit as an annuity from the fund (was 50%).

This assumption was based upon the July 1, 2013 experience study.



Summary of Plan Provisions

Plan identification

Single-employer pension plan

Pension Earnings

Base Salary in Final Year or Employment excluding bonuses and overtime including differential amounts.

Normal Retirement

Eligibility: 20 years of service if hired before January 1, 1981; 20 years of service and age 48 if hired after January 1, 1981.

Benefit:

Years of Service	% of Pension Earnings
20	50.00%
21	52.00%
22	54.00%
23	56.00%
24	58.00%
25	60.00%
26	62.00%
27	64.00%
28	66.00%
29	68.00%
30	70.00%
31	72.00%
32	74.00%

Limits on Annual Benefit

Maximum: 74.00% of pension earnings.

Minimum: None.

Early Retirement

Eligibility: None.

Benefit: See Termination Benefit.

Disability - Non-Service Connected

Service Requirement: 20 years of service.

Benefit: 50% of salary, not less than accrued benefit.



Disability - Service Connected

Service Requirement: None.

Benefit: 100% of pay (or 75% of pay depending on extent of disability).

Pre-Retirement Death Benefit - Non Service Connected and less than 10 years of service

Service Requirement: None.

Benefit: Return of employee contributions with interest.

Pre-Retirement Death Benefit - Service Connected or more than 10 years of service

Service Requirement: None, if service connected; 10 years if non service connected.

Benefit: Greater of 100% of retirement benefit and 50% of salary.

Post-Retirement Spouse's Benefit

100% of pension retiree was receiving.

Post-Retirement Death Benefit

Lump sum, excess of accumulated contributions over benefits paid to member or survivors (if not eligible for spouse's benefit).

Medicare Part B

The City pays the cost of the Medicare Part B supplemental benefit from the pension trust for each retiree receiving Medicare coverage. The 2014 Medicare Part B monthly premium is \$104.90.

Vesting in Accrued Benefit

Eligibility: 15 years of service.

Benefit: 2.5% of final salary times service. Benefit is payable when the employee would have had 20 years of service but not earlier than age 48.

Termination Benefit

Accumulated contributions as lump sum, if not vested.

Employee Contributions

6.25% of salary; no contributions for those with 32 or more years of service.

Additional Retirement Benefits

Employees can trade in vacation leave for additional pension credit. Each 20 days grants an additional 1.5% of salary up to a maximum of 7.5%.