

TOWN OF INDIALANTIC
GENERAL EMPLOYEES' PENSION PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2018

DETERMINES THE CONTRIBUTION
FOR THE 2019/20 FISCAL YEAR



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January 19, 2019

Introduction

This report presents the results of the October 1, 2018 actuarial valuation of the Town of Indialantic General Employees' Pension Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2018 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2019/20 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the minimum required contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2019/20 plan year. The minimum required contribution rate is 17.03% of covered payroll, which represents a decrease of 0.34% of payroll from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate increased by 1.99% of payroll due to investment losses and decreased by 2.33% of payroll due to demographic experience. Although the market value of assets earned 7.45% during the 2017/18 plan year, the actuarial value of assets is based on the prior year's actuarial value increased by the four-year average market value return. On this basis, the actuarial



value of assets only earned 4.65% during the 2017/18 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded liability, where the amortization period is no longer than 30 years and where both amounts are adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the Town's 2019/20 minimum required contribution will be equal to 17.03% multiplied by the total pensionable earnings for the 2019/20 fiscal year for the active employees who are covered by the plan.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$2,403,318. As illustrated in Table I-A, current assets are sufficient to cover \$1,411,974 of this amount, the employer's 2018/19 expected contribution will cover \$102,252 of this amount, the employer's 2019/20 expected contribution will cover \$104,249 of this amount, and future employee contributions are expected to cover \$186,322 of this amount, leaving \$598,521 to be covered by future employer funding beyond the 2019/20 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets, which is based on the prior year actuarial value of assets increased by the four-year average of the market value returns. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2018, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.



For the firm,



Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

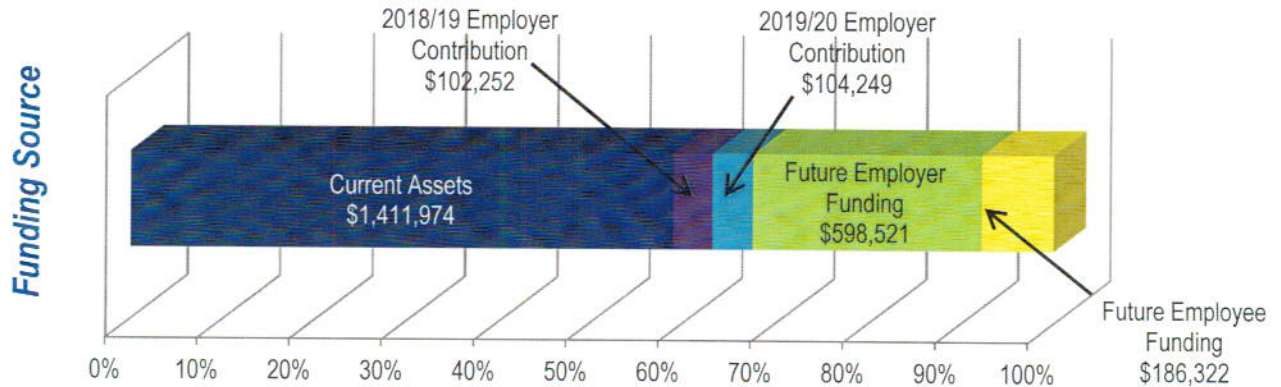
Enrolled Actuary No. 17-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2019/20 Plan Year

Normal Cost for the 2018/19 Plan Year	\$37,321
Unfunded Liability Amortization Payment for the 2018/19 Plan Year	\$50,825
Expense Allowance for the 2018/19 Plan Year	\$11,679
	<hr/>
	\$99,825
Adjustment to Reflect Quarterly Employer Contributions	\$4,293
Expected Employer Contribution for the 2018/19 Plan Year	(\$102,252)
Remaining Contribution Due/(Credit) for the 2018/19 Plan Year	\$1,866
	<hr/>
	x 0.07
One Year's Interest Charge/(Credit) on the Remaining Contribution	\$131
	<hr/>
Preliminary Employer Contribution for the 2019/20 Plan Year	\$104,249
Expected Payroll for the 2019/20 Plan Year	÷ \$612,215

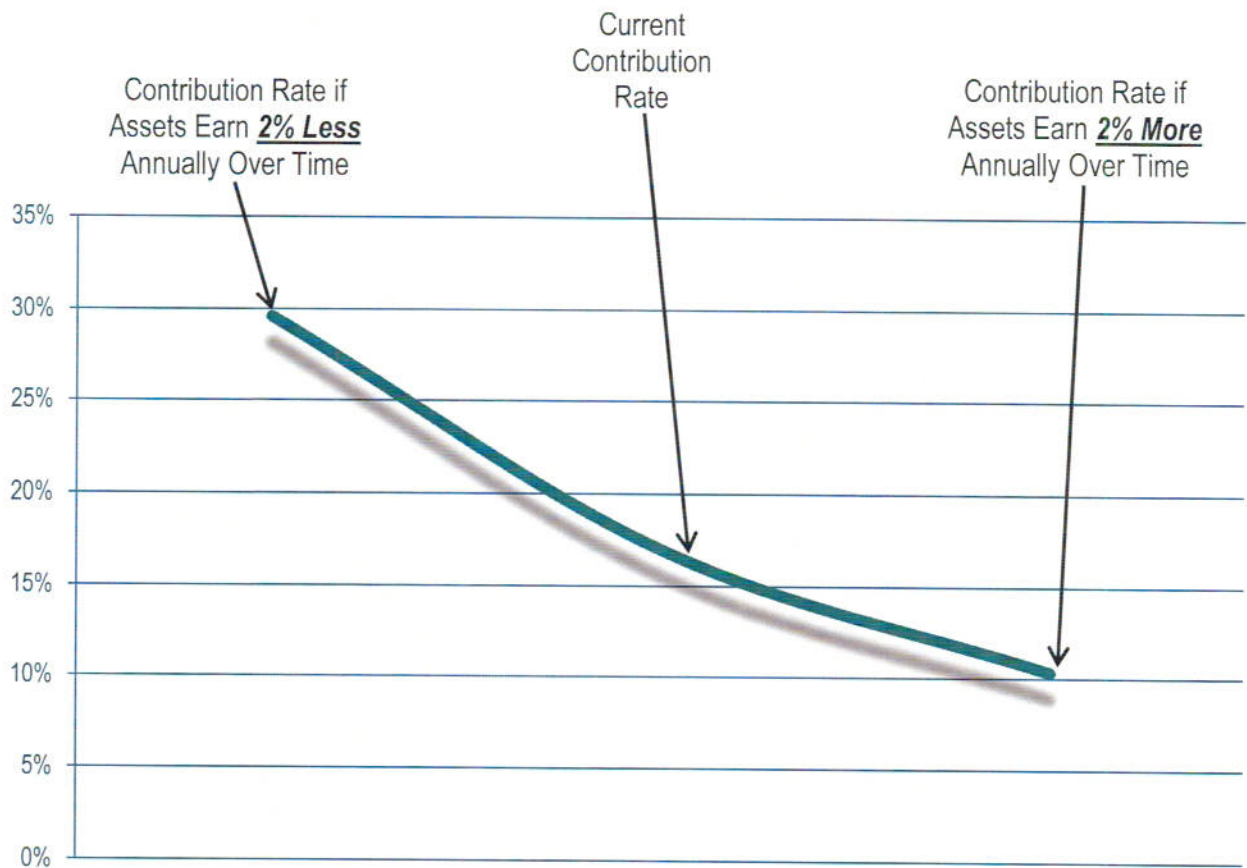
Minimum Required Contribution Rate for the 2019/20 Plan Year **17.03%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous minimum required contribution rate	17.37%
Increase (decrease) due to investment gains and losses	1.99%
Increase (decrease) due to other experience	-2.33%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate	<u>17.03%</u>

Source of Change in the Unfunded Liability

Previous unfunded liability	\$557,852
Increase due to employer normal cost and expenses	\$36,055
Increase due to interest on normal cost and unfunded liability	\$41,573
Decrease due to employer contributions	(\$89,870)
Decrease due to interest on employer contributions	(\$3,092)
Expected unfunded liability	<u>\$542,518</u>
Increase (decrease) due to plan amendments	\$0
Increase (decrease) due to actuarial assumption changes	\$0
Increase (decrease) due to actuarial method changes	\$0
Current unfunded liability	<u>\$542,518</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$789,977	\$789,977	\$789,977
Termination benefits	\$87,005	\$87,005	\$87,005
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$5,140	\$5,140	\$5,140
Sub-total	\$882,122	\$882,122	\$882,122
<i>Deferred Vested Participants</i>			
Retirement benefits	\$167,340	\$167,340	\$167,340
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$167,340	\$167,340	\$167,340
<i>Due a Refund of Contributions</i>	\$1,129	\$1,129	\$1,129
<i>Deferred Beneficiaries</i>	\$0	\$0	\$0
<i>Retired Participants</i>			
Service retirements	\$1,352,727	\$1,352,727	\$1,352,727
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,352,727	\$1,352,727	\$1,352,727
<i>Grand Total</i>	<u>\$2,403,318</u>	<u>\$2,403,318</u>	<u>\$2,403,318</u>
Present Value of Future Payroll	\$4,140,508	\$4,140,508	\$4,140,508
Present Value of Future Employee Contribs.	\$186,322	\$186,322	\$186,322
Present Value of Future Employer Contribs.	\$805,022	\$805,022	\$805,022



Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$269,200	\$269,200	\$269,200
Termination benefits	\$47,860	\$47,860	\$47,860
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$3,419	\$3,419	\$3,419
Sub-total	\$320,479	\$320,479	\$320,479
<i>Deferred Vested Participants</i>			
Retirement benefits	\$167,340	\$167,340	\$167,340
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$167,340	\$167,340	\$167,340
<i>Due a Refund of Contributions</i>	\$1,129	\$1,129	\$1,129
<i>Deferred Beneficiaries</i>	\$0	\$0	\$0
<i>Retired Participants</i>			
Service retirements	\$1,352,727	\$1,352,727	\$1,352,727
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,352,727	\$1,352,727	\$1,352,727
<i>Grand Total</i>	<u>\$1,841,675</u>	<u>\$1,841,675</u>	<u>\$1,841,675</u>
<i>Funded Percentage</i>	79.35%	79.35%	79.35%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



Present Value of Vested Benefits

Table I-F

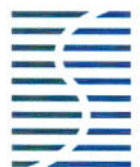
	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i>Actively Employed Participants</i>			
Retirement benefits	\$222,521	\$222,521	\$222,521
Termination benefits	\$38,334	\$38,334	\$38,334
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$11,690	\$11,690	\$11,690
Sub-total	\$272,545	\$272,545	\$272,545
<i>Deferred Vested Participants</i>			
Retirement benefits	\$167,340	\$167,340	\$167,340
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$167,340	\$167,340	\$167,340
<i>Due a Refund of Contributions</i>	\$1,129	\$1,129	\$1,129
<i>Deferred Beneficiaries</i>	\$0	\$0	\$0
<i>Retired Participants</i>			
Service retirements	\$1,352,727	\$1,352,727	\$1,352,727
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,352,727	\$1,352,727	\$1,352,727
<i>Grand Total</i>	<u>\$1,793,741</u>	<u>\$1,793,741</u>	<u>\$1,793,741</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$464,402	\$464,402	\$464,402
Termination benefits	\$64,026	\$64,026	\$64,026
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$3,543	\$3,543	\$3,543
Sub-total	\$531,971	\$531,971	\$531,971
<u>Deferred Vested Participants</u>			
Retirement benefits	\$167,340	\$167,340	\$167,340
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$167,340	\$167,340	\$167,340
<u>Due a Refund of Contributions</u>	\$1,129	\$1,129	\$1,129
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$1,352,727	\$1,352,727	\$1,352,727
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,352,727	\$1,352,727	\$1,352,727
<u>Grand Total</u>	<u>\$2,053,167</u>	<u>\$2,053,167</u>	<u>\$2,053,167</u>



Unfunded Liability Bases

Table I-H

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Amortization Payment</u>	<u>Years Rem.</u>
Total		\$542,518	\$50,825	
		↓	↓	
10/1/1997 Initial UAAL		\$292,315	\$26,432	19
10/1/2005 Amendment		\$158,960	\$15,217	17
10/1/2008 Method Change		(\$72,360)	(\$9,629)	10
10/1/2008 Assumption Change		\$77,012	\$10,248	10
10/1/2012 Assumption Change		\$30,559	\$3,266	14
10/1/2012 Amendment		(\$7,506)	(\$612)	24
10/1/2016 Assumption Change	\$66,916	\$63,538	\$5,903	18



Development of the Normal Cost and Interest Adjustment

Table I-I

Normal Cost as of October 1, 2018

Present Value of Future Benefits	\$2,403,318
Unfunded Frozen Liability	(\$542,518)
Actuarial Value of Assets	(\$1,411,974)
Present Value of Future Employee Contributions	(\$186,322)
Present Value of Future Normal Cost	\$262,504
Present Value of Future Compensation	÷ \$4,140,508
Normal Cost Accrual Rate	6.339898%
Expected Payroll for the Current Year	x \$588,668
Normal Cost	<u>\$37,321</u>

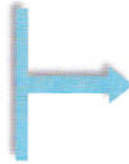


Actuarial Value of Assets

Table II-A

Market Value Rate of Return

For the 2014/15 plan year	-4.78%
For the 2015/16 plan year	3.30%
For the 2016/17 plan year	13.50%
For the 2017/18 plan year	7.45%



Average return for the preceding four years
4.65%

Actuarial Value of Assets as of October 1, 2017	\$1,332,164
Plus contributions for the 2017/18 plan year	\$116,759
Minus benefit payments and administrative expenses for the 2017/18 plan year	(\$99,354)
Minus change in advance employer contribution	\$0

Adjustment for interest at the average rate shown above, but restricted to an amount that keeps the actuarial value of assets within an 80%-120% corridor of the market value

\$62,405

Actuarial Value of Assets as of October 1, 2018

\$1,411,974

<u>Historical Actuarial Value of Assets</u>	
October 1, 2009	N/A
October 1, 2010	N/A
October 1, 2011	N/A
October 1, 2012	N/A
October 1, 2013	N/A
October 1, 2014	\$1,163,068
October 1, 2015	\$1,240,147
October 1, 2016	\$1,282,622
October 1, 2017	\$1,332,164
October 1, 2018	\$1,411,974

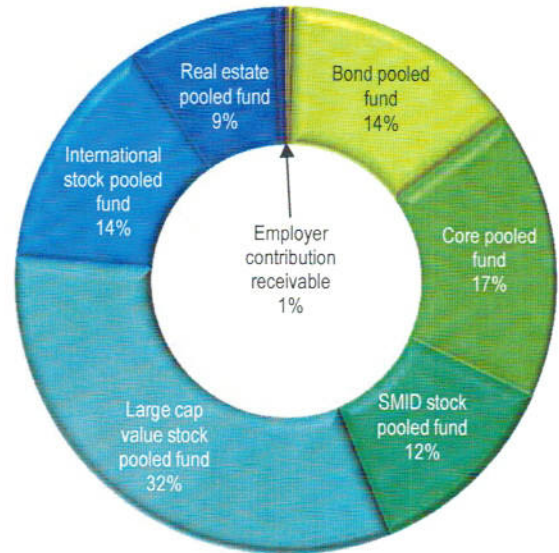


Market Value of Assets

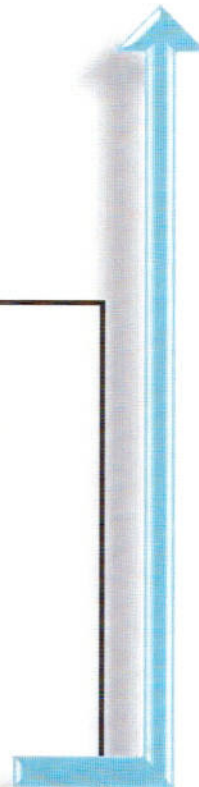
Table II-B

As of October 1, 2018

Market Value of Assets	<u>\$1,461,370</u>
Cash	\$5,802
Bond pooled fund	\$210,321
Core pooled fund	\$249,484
SMID stock pooled fund	\$174,059
Large cap value stock pooled fund	\$474,311
International stock pooled fund	\$205,970
Real estate pooled fund	\$130,544
Employer contribution receivable	\$9,845
Employee contribution receivable	\$1,034

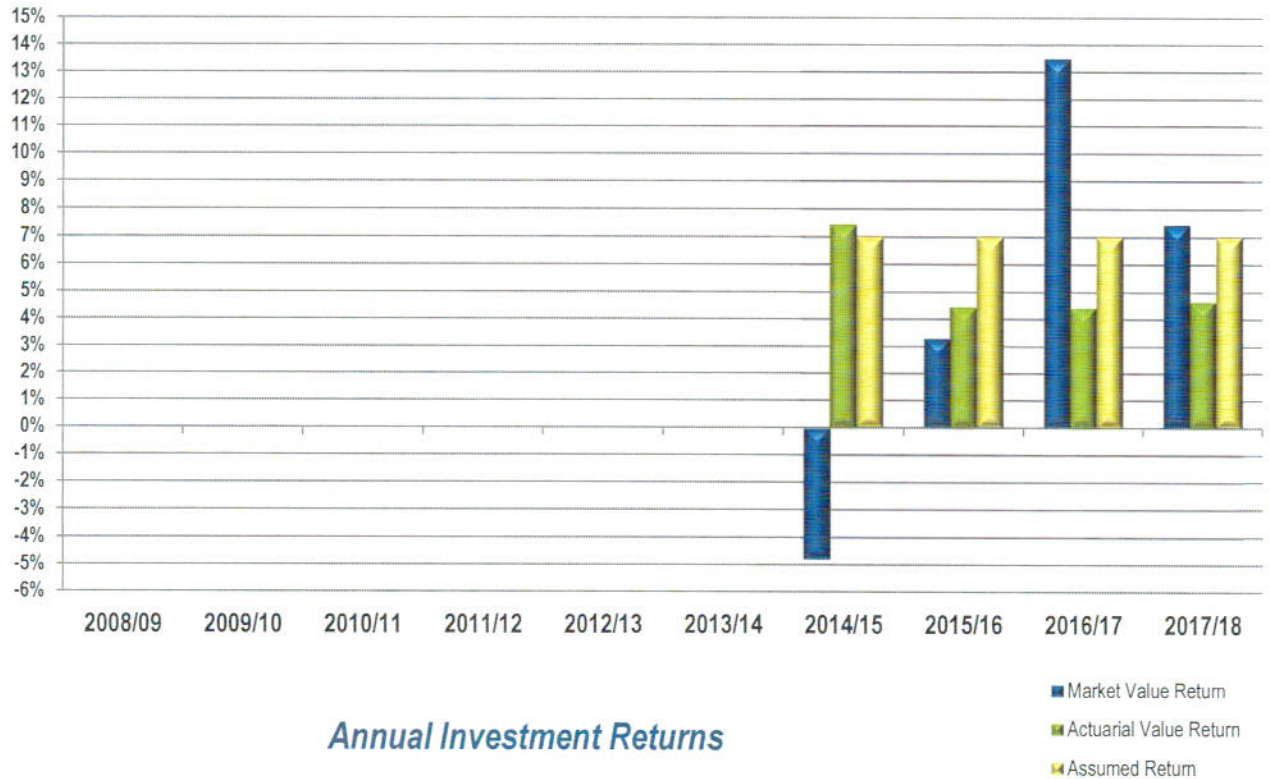


Historical Market Value of Assets	
October 1, 2009	N/A
October 1, 2010	N/A
October 1, 2011	N/A
October 1, 2012	N/A
October 1, 2013	N/A
October 1, 2014	\$1,232,017
October 1, 2015	\$1,168,599
October 1, 2016	\$1,190,743
October 1, 2017	\$1,343,203
October 1, 2018	\$1,461,370



Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2008/09	N/A	N/A	N/A
2009/10	N/A	N/A	N/A
2010/11	N/A	N/A	N/A
2011/12	N/A	N/A	N/A
2012/13	N/A	N/A	N/A
2013/14	N/A	N/A	N/A
2014/15	-4.78%	7.43%	7.00%
2015/16	3.30%	4.45%	7.00%
2016/17	13.50%	4.43%	7.00%
2017/18	7.45%	4.65%	7.00%
4yr. Avg.	4.65%	5.23%	7.00%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2017	\$1,343,203	\$1,332,164
<i>Increases Due To:</i>		
Employer Contributions	\$89,870	\$89,870
Employee Contributions	\$26,889	\$26,889
Total Contributions	<u>\$116,759</u>	<u>\$116,759</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$100,762	
Total Investment Income	<u>\$100,762</u>	\$62,405
Other Income	\$0	
Total Income	<u>\$217,521</u>	<u>\$179,164</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$85,631)	(\$85,631)
Refund of Employee Contributions	(\$2,044)	(\$2,044)
Total Benefit Payments	<u>(\$87,675)</u>	<u>(\$87,675)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$11,679)	(\$11,679)
Advance Employer Contribution		\$0
Total Expenses	<u>(\$99,354)</u>	<u>(\$99,354)</u>
As of October 1, 2018	<u><u>\$1,461,370</u></u>	<u><u>\$1,411,974</u></u>



Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Employee Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2008/09	N/A	N/A	N/A	N/A	N/A	N/A
2009/10	N/A	N/A	N/A	N/A	N/A	N/A
2010/11	N/A	N/A	N/A	N/A	N/A	N/A
2011/12	N/A	N/A	N/A	N/A	N/A	N/A
2012/13	N/A	N/A	N/A	N/A	N/A	N/A
2013/14	N/A	N/A	N/A	N/A	N/A	N/A
2014/15	\$57,449	\$25,271	\$64,332	\$12,913	-\$129,890	\$0
2015/16	\$56,400	\$26,715	\$0	\$0	\$38,332	\$0
2016/17	\$72,405	\$26,148	\$0	\$0	\$160,185	\$0
2017/18	\$89,870	\$26,889	\$0	\$0	\$100,762	\$0

Expenses

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Other Actuarial Adjustments Advance Employer Contribs.
2008/09	N/A	N/A	N/A	N/A	N/A
2009/10	N/A	N/A	N/A	N/A	N/A
2010/11	N/A	N/A	N/A	N/A	N/A
2011/12	N/A	N/A	N/A	N/A	N/A
2012/13	N/A	N/A	N/A	N/A	N/A
2013/14	N/A	N/A	N/A	N/A	N/A
2014/15	\$65,929	\$7,301	\$14,152	\$6,111	\$4,375
2015/16	\$83,609	\$5,352	\$10,342	\$0	-\$3,799
2016/17	\$85,631	\$4,425	\$16,222	\$0	-\$576
2017/18	\$85,631	\$2,044	\$11,679	\$0	\$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table II-F

Advance Employer Contribution

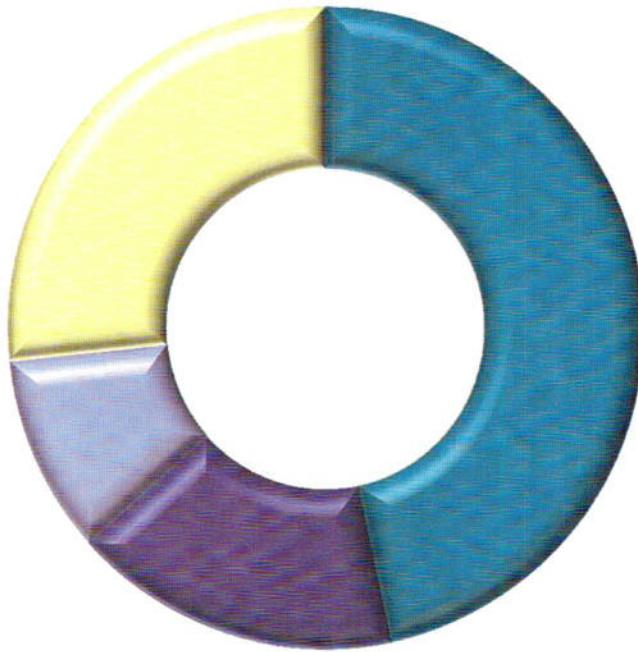
Advance Employer Contribution as of October 1, 2017	\$0
Additional Employer Contribution	\$89,870
Minimum Required Contribution	<u>(\$89,870)</u>
Net Increase in Advance Employer Contribution	\$0
Advance Employer Contribution as of October 1, 2018	<u><u>\$0</u></u>



Summary of Participant Data

Table III-A

As of October 1, 2018

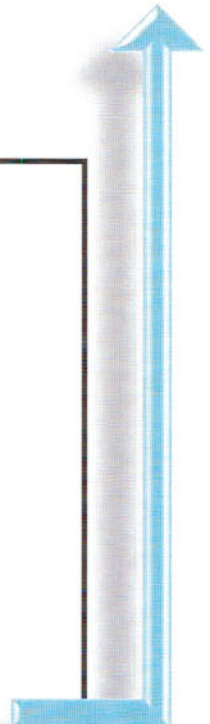


Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	14
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	5
◆	Due a Refund of Contributions	3
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	8
◆	Disability Retirements	0
◆	Beneficiaries Receiving	0
Total Participants		30

Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2009	N/A	N/A	N/A	N/A	N/A
October 1, 2010	N/A	N/A	N/A	N/A	N/A
October 1, 2011	N/A	N/A	N/A	N/A	N/A
October 1, 2012	14	0	5	5	24
October 1, 2013	14	0	5	5	24
October 1, 2014	14	0	6	5	25
October 1, 2015	14	0	8	6	28
October 1, 2016	14	0	8	7	29
October 1, 2017	13	0	9	7	29
October 1, 2018	14	0	8	8	30



Data Reconciliation

Table III-B

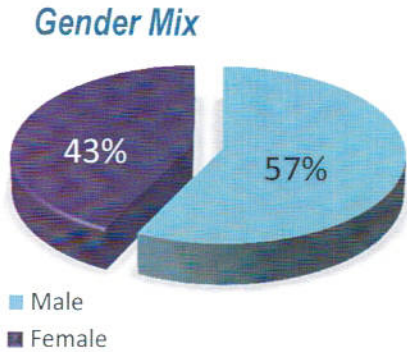
	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2017</u>	13	0	6	3	0	7	0	0	29
<u>Change in Status</u>									
Re-employed									
Terminated	(2)			2					
Retired			(1)			1			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(2)					(2)
Died									
<u>Participation Began</u>									
Newly Hired	3								3
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2018</u>	14	0	5	3	0	8	0	0	30



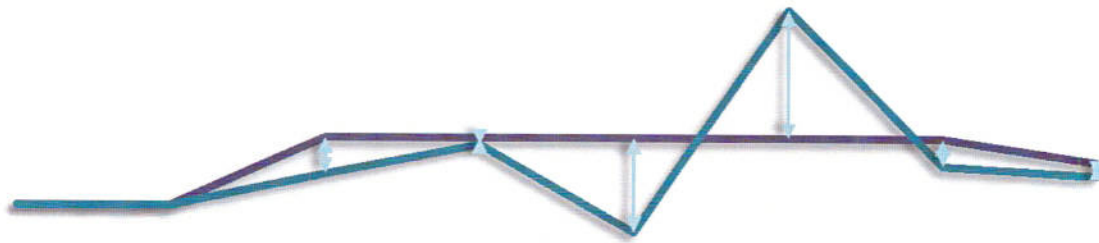
Active Participant Data

Table III-C

As of October 1, 2018



Average Age	46.6 years
Average Service	6.6 years
Total Annualized Compensation for the Prior Year	\$609,004
Total Expected Compensation for the Current Year	\$588,668
Average Increase in Compensation for the Prior Year	2.81%
Expected Increase in Compensation for the Current Year	4.00%

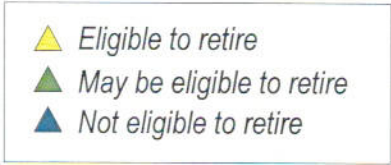
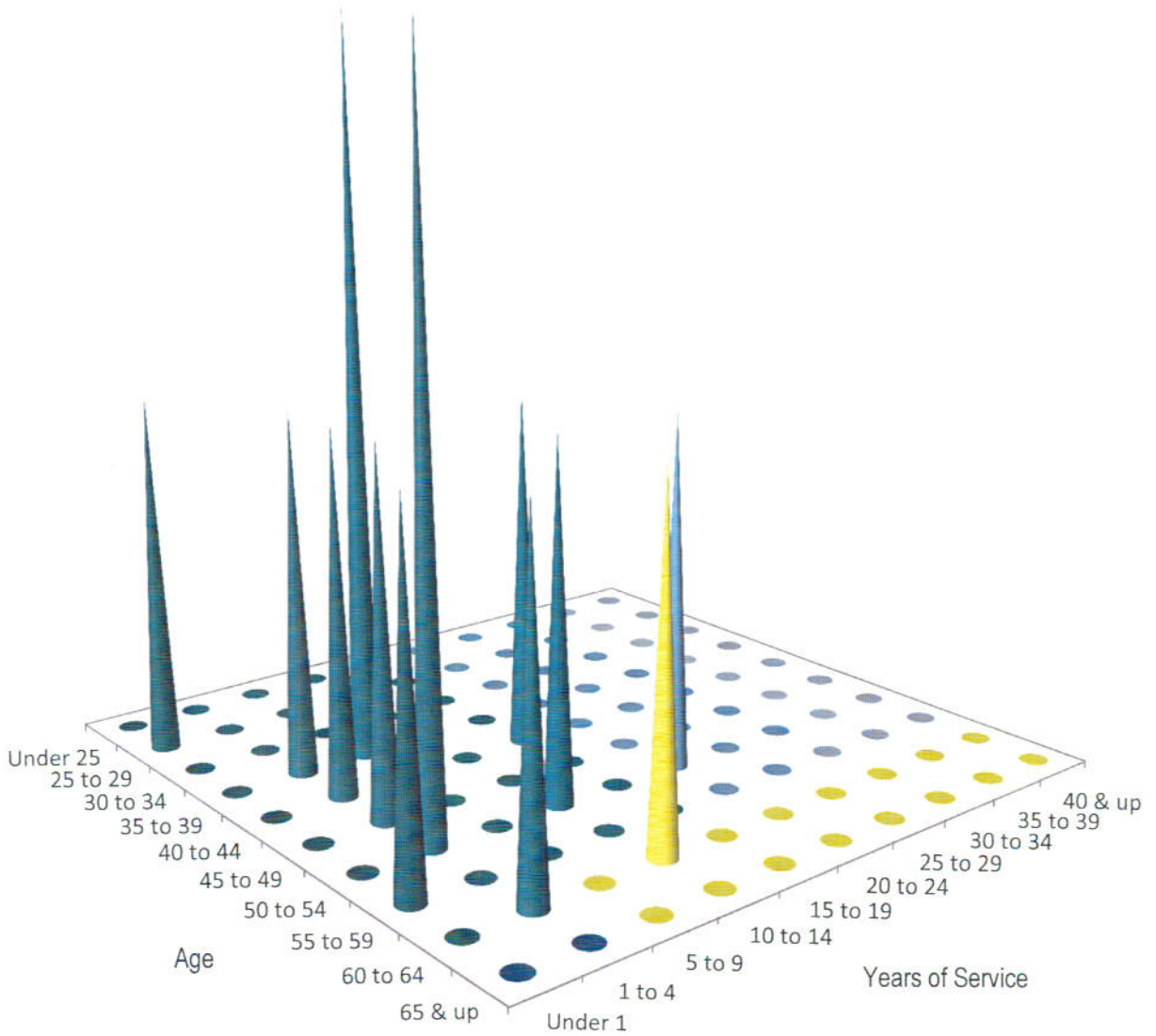


	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2009	N/A	N/A	N/A	N/A	N/A
October 1, 2010	N/A	N/A	N/A	N/A	N/A
October 1, 2011	N/A	N/A	N/A	N/A	N/A
October 1, 2012	46.4	10.6	\$39,441	N/A	N/A
October 1, 2013	46.4	10.9	\$42,879	6.00%	2.80%
October 1, 2014	46.4	8.4	\$44,201	6.00%	5.40%
October 1, 2015	39.6	6.6	\$42,024	6.00%	-2.30%
October 1, 2016	45.0	5.1	\$43,083	6.00%	17.54%
October 1, 2017	46.9	6.2	\$47,795	6.00%	3.58%
October 1, 2018	46.6	6.6	\$43,500	4.00%	2.81%



Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

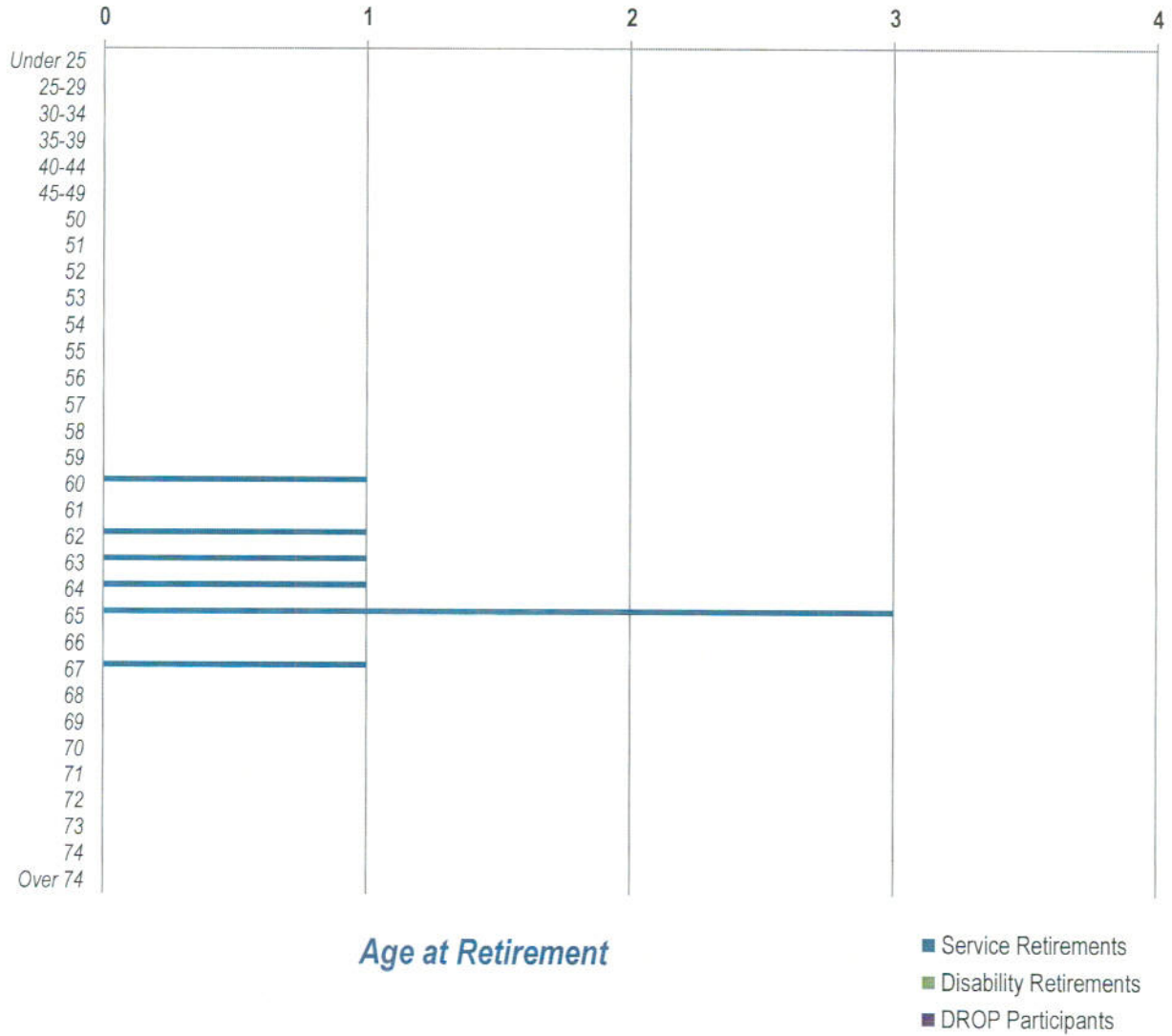
Table III-E

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	1	0	0	0	0	0	0	0	0	0	1
Avg. Pay	31,777	0	0	0	0	0	0	0	0	0	31,777
30 to 34	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	1	2	0	0	0	0	0	0	0	3
Avg. Pay	0	42,005	46,646	0	0	0	0	0	0	0	45,099
40 to 44	0	1	0	0	1	0	0	0	0	0	2
Avg. Pay	0	52,871	0	0	37,360	0	0	0	0	0	45,116
45 to 49	0	1	0	0	0	0	0	0	0	0	1
Avg. Pay	0	27,992	0	0	0	0	0	0	0	0	27,992
50 to 54	0	2	0	1	0	1	0	0	0	0	4
Avg. Pay	0	48,055	0	81,619	0	41,319	0	0	0	0	54,762
55 to 59	1	0	0	0	0	0	0	0	0	0	1
Avg. Pay	20,190	0	0	0	0	0	0	0	0	0	20,190
60 to 64	0	1	0	1	0	0	0	0	0	0	2
Avg. Pay	0	47,204	0	37,265	0	0	0	0	0	0	42,235
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
Total	2	6	2	2	1	1	0	0	0	0	14
Avg. Pay	25,984	44,364	46,646	59,442	37,360	41,319	0	0	0	0	43,500



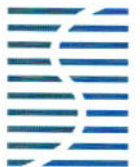
Inactive Participant Data

Table III-F



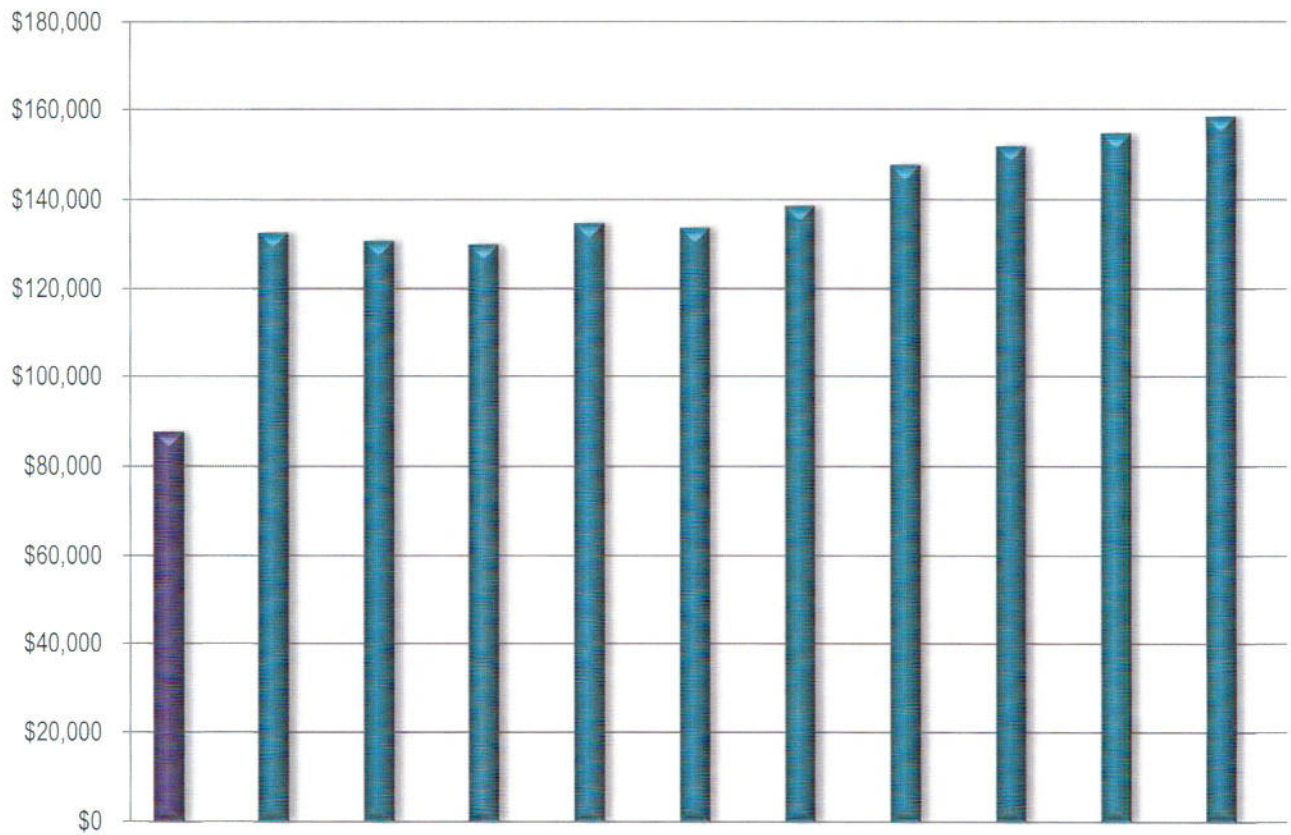
Average Monthly Benefit

Service Retirements	\$1,376.55
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	\$570.43
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2017 through September 30, 2018

\$87,675

Projected

For the period October 1, 2018 through September 30, 2019

\$132,727

For the period October 1, 2019 through September 30, 2020

\$130,858

For the period October 1, 2020 through September 30, 2021

\$130,066

For the period October 1, 2021 through September 30, 2022

\$134,886

For the period October 1, 2022 through September 30, 2023

\$133,818

For the period October 1, 2023 through September 30, 2024

\$138,685

For the period October 1, 2024 through September 30, 2025

\$147,643

For the period October 1, 2025 through September 30, 2026

\$151,935

For the period October 1, 2026 through September 30, 2027

\$154,693

For the period October 1, 2027 through September 30, 2028

\$158,491



Summary of Actuarial Methods and Assumptions

Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. Actuarial Cost Method

Frozen initial liability cost method. Under this actuarial cost method, an unfunded liability is developed at the inception of the plan using the individual entry age normal cost method. Over time, this unfunded liability is adjusted to reflect changes in the entry age normal accrued liability due to plan amendments and changes in actuarial assumptions and methods. The employer makes a periodic contribution towards the unfunded liability which is intended to eliminate the unfunded liability over a pre-determined period. In addition, each year the total projected liability in excess of the unfunded liability, accumulated assets, and future employee contributions is divided by the present value of future compensation to develop a level funding percentage for the plan as a whole. The level funding percentage is then multiplied by the covered payroll for the year immediately following the valuation date to determine the normal cost for that year.

2. Amortization Method

The unfunded actuarial accrued liability is amortized as a level dollar amount over a period of up to 30 years.

3. Asset Method

The actuarial value of assets is equal to the prior year actuarial value of assets increased by a four-year average of the market value returns.

4. Interest (or Discount) Rate

7.00% per annum

5. Salary Increases

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year. In addition, average final compensation for employees hired prior to October 1, 2005 has been loaded by either 5.00% (for those who were age 50 or younger as of October 1, 2012) or 10.00% (for those who were older than age 50 as of October 1, 2012) to account for irregular sources of compensation.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

6. Decrements

- Pre-retirement mortality: None assumed
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB
- Disability: None assumed
- Termination: The termination rates are age-based, ranging from 10.00% at age 20, 13.00% at age 30, and 15.00% at age 40 to 12.00% at age 50.
- Retirement: 10% are assumed to retire at each of ages 60 through 64 and 100% are assumed to retire at age 65; those employees who have attained age 65 as of the valuation date are not assumed to retire until one year after the valuation date.

7. Form of Payment

Future retirees have been assumed to select the single life annuity.

8. Marriage Assumption

100% of non-retired participants are assumed to have an eligible beneficiary upon death prior to retirement.

9. Expenses

Administrative expenses are assumed to be equal to the actual prior year's administrative expenses. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

No methods or assumptions were changed since the completion of the previous valuation.

The following additional assumption and method changes were made during the past two years:

- (1) Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law and the pre-retirement mortality assumption was eliminated.*
- (2) Effective October 1, 2016, the assumed increase in future salaries was changed from 6.00% per year to 4.00% per year.*
- (3) Effective October 1, 2016, the method used to amortize the unfunded frozen initial liability was changed from payments based on a level-percentage of payroll, with an underlying assumed 0.50% annual increase in payroll, to level-dollar amortization payments.*



Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

2.00% of Average Final Compensation multiplied by Credited Service

2. **Normal Retirement Age and Benefit**

- **Age**
Age 65 with at least five years of Credited Service
- **Amount**
Monthly Accrued Benefit
- **Form of Payment**
Single life annuity (normal form of payment);
Actuarially equivalent 10-year certain and life annuity (optional);
Actuarially equivalent joint and contingent annuity (optional);
Actuarially equivalent social security level income annuity (optional); or
Any other actuarially equivalent form of payment except for a single lump sum payment (optional if approved by the Board of Trustees)

3. **Early Retirement Age and Benefit**

- **Age**
Age 60 with at least five years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by $\frac{1}{15}$ for each year by which the participant's Early Retirement Age precedes age 65 (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement

4. **Delayed Retirement Age and Benefit**

- **Age**
After Normal Retirement Age
- **Amount**
Monthly Accrued Benefit
- **Form of Payment**
Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

5. **Deferred Vested Benefit**

- **Age**
Any age with at least five years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by $\frac{1}{15}$ for each year by which the participant's Early Retirement Age precedes age 65 (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement

6. **Disability Retirement Eligibility and Benefit**

No disability benefits are provided.

7. **Pre-Retirement Death Benefits**

Monthly Annuity

In the case of the death of a vested participant prior to retirement, his spouse, dependent children, or anyone who was receiving at least 50% of their support from the deceased participant will collectively receive the actuarial equivalent to the participant's Monthly Accrued Benefit payable for 120 months. Alternatively, the beneficiary may choose to receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

Single Lump Sum Payment

In the case of the death prior to retirement of either a non-vested participant or a vested participant who has no beneficiary who is eligible for the monthly annuity, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

8. **Average Final Compensation**

Average of the highest five years of Compensation out of the last 10 years of employment



Summary of Plan Provisions

Table V-A

(continued)

9. **Compensation**

Compensation is equal to W-2 earnings, but is limited to 300 hours of overtime after June 30, 2011 and excludes payments for unused vacation earned after June 30, 2011; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

10. **Credited Service**

Years and completed months of employment

11. **Participation Requirement**

All full-time employees of the Town of Indialantic, Florida, excluding the Town Manager

12. **Accumulated Contributions**

The Employee Contributions accumulated without interest; if the participant terminates his employment with less than five years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.

13. **Employee Contributions**

All participating employees are required to contribute 4.50% of compensation to the plan.

14. **Definition of Actuarially Equivalent**

- **Interest Rate**
8.00% per annum
- **Mortality Table**
1983 Group Annuity Mortality Table, blended 50%/50% for males and females



Summary of Plan Amendments

Table V-B

No significant plan amendments were adopted since the completion of the previous valuation.

