

RETIREMENT PLAN FOR THE POLICE OFFICERS
OF THE CITY OF LAKE HELEN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

DETERMINES THE CONTRIBUTION
FOR THE 2014/15 FISCAL YEAR



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March 22, 2015

Introduction

This report presents the results of the October 1, 2014 actuarial valuation for the Retirement Plan for the Police Officers of the City of Lake Helen. 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, 2014 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2014/15 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, accounting disclosures pursuant to Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27), 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 V-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 normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2014/15 plan year. The minimum required contribution rate is 4.61% of covered payroll, which represents a decrease of 11.22% of payroll from the prior valuation.

The normal cost rate is 4.45%, which is 10.78% lower than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 6.83% of payroll due to investment gains, decreased by 3.33% of payroll due to demographic experience, and decreased by 0.62% of payroll due to the assumption changes described below. The market value of



assets earned 11.93% during the 2012/13 plan year and earned another 8.52% during the 2013/14 plan year, whereas a 7.50% 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 City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2014/15 minimum required contribution will be equal to 4.61% multiplied by the total pensionable earnings for the 2014/15 fiscal year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2014/15 plan year. The allowable portion of the Chapter 175/185 contribution is \$6,873 per year. However, this amount is subject to change depending on the amount of the Chapter 175/185 contribution for the 2014/15 plan year and whether additional qualifying benefit improvements have been adopted at that time. Furthermore, if an actuarial valuation is not prepared as of October 1, 2015, then the 4.61% contribution rate should also be applied to the covered payroll for the 2015/16 fiscal year and offset by the allowable Chapter 175/185 contribution in order to determine the minimum required contribution for that year.

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 \$1,004,545. As illustrated in Table I-A, current assets are sufficient to cover \$943,446 of this amount, the employer's 2014/15 expected contribution will cover \$5,514 of this amount, and future employee contributions are expected to cover \$11,215 of this amount, leaving \$44,370 to be covered by future employer funding beyond the 2013/14 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Excess Chapter 175/185 Contributions

As of October 1, 2014, the plan has accumulated excess Chapter 175/185 contributions of \$149,243 as shown in Table III-F. This amount is equal to the accumulated excess Chapter 175/185 contribution balance as of October 1, 2012 plus \$9,919 of additional excess Chapter 175/185 contributions that were received during the 2012/13 plan year and another \$12,087 of excess Chapter 175/185 contributions that were received during the 2013/14 plan year. The total Chapter 175/185 distribution received during the 2012/13 and 2013/14 plan years was \$35,752, of which \$13,746 was allowed to be used to offset the City's minimum required contribution for this period. The accumulated excess Chapter 175/185 contributions cannot be used to pay for the current plan of benefits. Instead, the excess contributions may only be used to pay for qualifying benefit improvements in excess of the Chapter 175/185 minimum benefits. Tables III-G and III-H provide a history of the Chapter 175/185 contributions and the portion that is allowed to be recognized.

Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2014, the advance employer contribution is \$4,059, which reflects the advance employer contribution



of \$23,272 as of October 1, 2012 minus \$19,213 that the City contributed to the plan less than the minimum required contribution for the 2012/13 and 2013/14 plan years as shown in Table III-F.

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-C provide information needed by both the plan's and the employer's accountants in order to prepare the relevant financial statements that cover the period October 1, 2013 through September 30, 2014. Tables III-A through III-F provide information concerning the assets of the trust fund. Specifically, Table III-A shows the development of the actuarial value of assets, which is based on the market value of assets. Tables IV-A through IV-G provide statistical information concerning the plan's participant population. In particular, Table IV-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 V-A through VI-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, 2014, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Assumption Changes

Several assumptions have been changed from those used to complete the previous valuation, as follows:

- (1) The assumed interest (or discount) rate has been decreased from 7.50% per annum to 7.00% per annum.
- (2) The assumed increase in future compensation has been changed from rates that ranged from 8.00% (for less than one year of service) to 5.00% (for at least four years of service) to a flat 4.00% per year.
- (3) The 4.00% increase in average earnings to account for lump sum payments upon termination of employment was eliminated.
- (4) The mortality basis was changed from the 1994 Group Annuity Reserving Table, projected to 2002 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA.

GASB 67/68 and Chapter 2013-100, Florida Statutes

A new accounting standard, the Governmental Accounting Standards Board Statements Nos. 67 and 68 (GASB 67/68), became effective for the plan's financial statements as of September 30, 2014 and will become effective for the City's financial statements as of September 30, 2015. GASB 67/68 replaces GASB 25/27, makes major changes to the calculation of the accounting cost of the pension plan, and mandates numerous new disclosures. A separate GASB 67/68 report will be prepared that will provide the accounting cost of the plan for the 2014/15 plan year.



In addition, Chapter 2013-100, Florida Statutes, is effective for the plan year ending on September 30, 2014. This new State law requires disclosures that are similar to some of the disclosures required under GASB 67/68 and requires plan cost to be presented based on two alternative valuation bases. First, plan cost must be disclosed based on the same assumptions and methods used to calculate the GASB 67/68 accounting cost, but using the RP-2000 Combined Mortality Table with generational mortality projections. Second, plan cost must be disclosed on the same basis as described in the previous sentence, but using an interest rate that is 2.00% lower than the funding valuation interest rate. The Division of Retirement is expected to issue formatting guidelines for this purpose. Because these guidelines have not yet been issued, a separate electronic report will be prepared at a later date that will provide the disclosures required under Chapter 2013-100, Florida Statutes.

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.

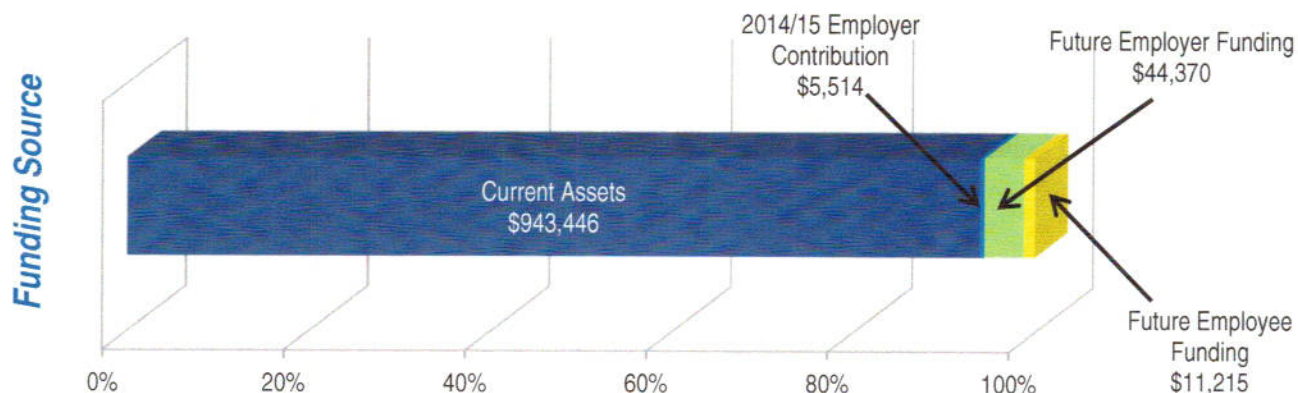
Enrolled Actuary No. 14-04927

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 2014/15 Plan Year

| | |
|---|---------------|
| Present Value of Future Benefits | \$958,993 |
| Present Value of Future Administrative Expenses | \$45,552 |
| Actuarial Value of Assets | (\$943,446) |
| Present Value of Future Employee Contributions | (\$11,215) |
| Present Value of Future Normal Costs | \$49,884 |
| Present Value of Future Payroll | ÷ \$1,121,554 |
| Normal Cost Rate | = 4.4478% |
| Expected Payroll | x \$119,534 |
| Normal Cost | \$5,317 |
| Adjustment to Reflect Monthly Employer Contributions | \$197 |
| Preliminary Employer Contribution for the 2014/15 Plan Year | \$5,514 |
| Expected Payroll for the 2014/15 Plan Year | ÷ \$119,534 |

Minimum Required Contribution Rate **4.61%**

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

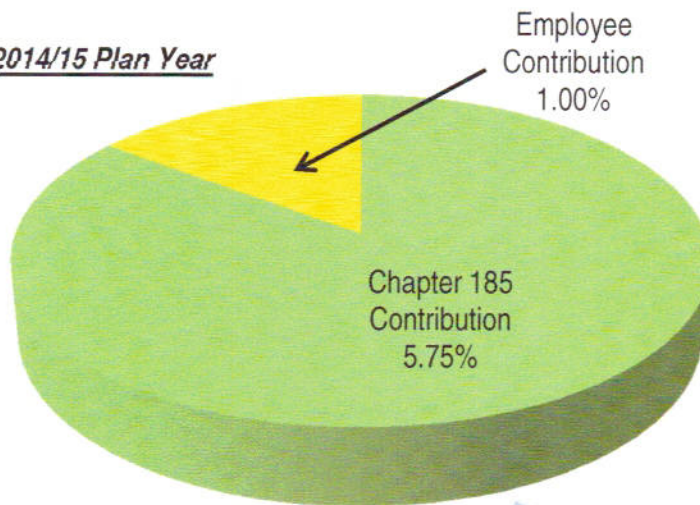


Minimum Required Contribution

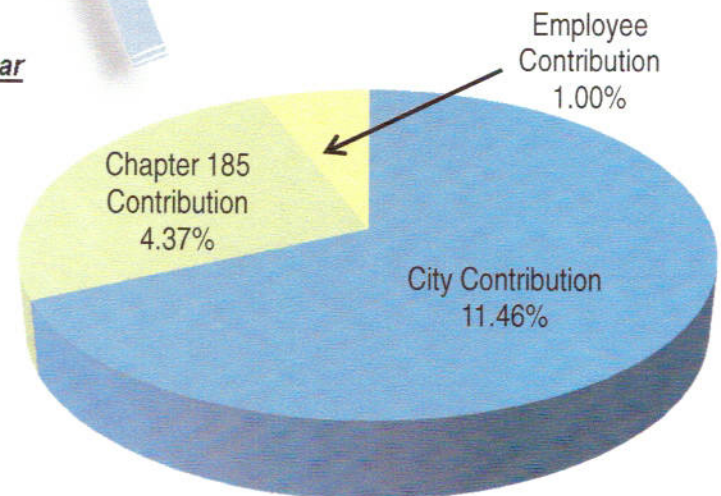
Table I-A
(continued)

The minimum required contribution rate of 4.61% includes both the City contribution and the allowable Chapter 185 contribution. In addition, employees are required to contribute 1.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 0.00% based on the allowable Chapter 185 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2014/15 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

For the 2014/15 Plan Year

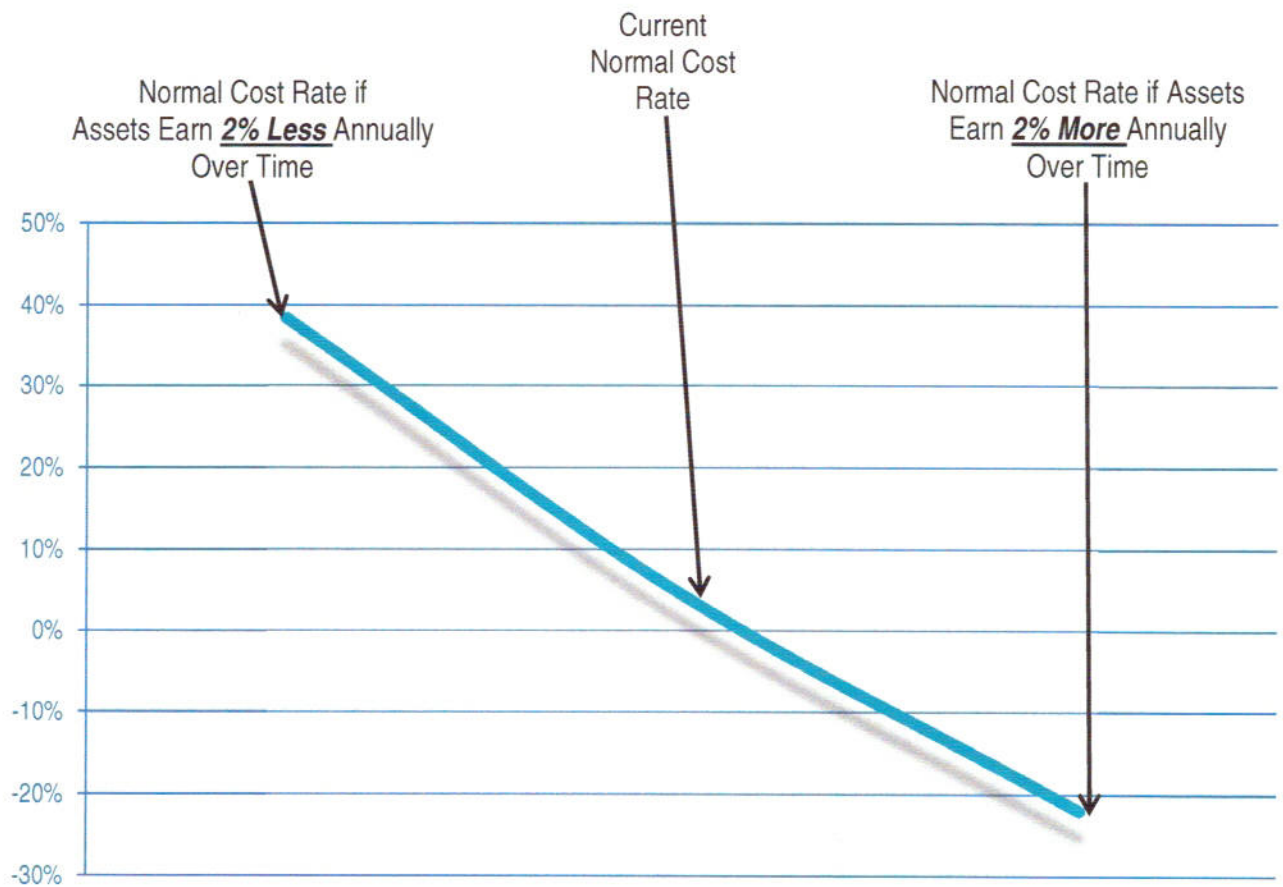


For the 2013/14 Plan Year



Sensitivity Analysis

Table I-B



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



Gain and Loss Analysis

Table I-C

| | |
|---|--------------|
| Previous normal cost rate | 15.23% |
| Increase (decrease) due to investment gains and losses | -6.83% |
| Increase (decrease) due to demographic experience | -3.33% |
| Increase (decrease) due to plan amendments | 0.00% |
| Increase (decrease) due to actuarial assumption changes | -0.62% |
| Increase (decrease) due to actuarial method changes | 0.00% |
| Current normal cost rate | <u>4.45%</u> |



Present Value of Future Benefits

Table I-D

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|--|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$834,462 | \$834,462 | \$817,850 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$834,462 | \$834,462 | \$817,850 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$133,152 | \$133,152 | \$140,994 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$133,152 | \$133,152 | \$140,994 |
| <u>Due a Refund of Contributions</u> | \$149 | \$149 | \$149 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$0 | \$0 | \$0 |
| Disability retirements | \$0 | \$0 | \$0 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Grand Total</u> | <u>\$967,763</u> | <u>\$967,763</u> | <u>\$958,993</u> |
| Present Value of Future Payroll | \$1,157,419 | \$1,157,419 | \$1,121,554 |
| Present Value of Future Employee Contribs. | \$11,574 | \$11,574 | \$11,215 |
| Present Value of Future Employer Contribs. | \$58,712 | \$58,712 | \$49,884 |



Present Value of Accrued Benefits

Table I-E

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|---------------------------------------|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$380,980 | \$380,980 | \$396,808 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$380,980 | \$380,980 | \$396,808 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$133,152 | \$133,152 | \$140,994 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$133,152 | \$133,152 | \$140,994 |
| <u>Due a Refund of Contributions</u> | \$149 | \$149 | \$149 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$0 | \$0 | \$0 |
| Disability retirements | \$0 | \$0 | \$0 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Grand Total</u> | <u>\$514,281</u> | <u>\$514,281</u> | <u>\$537,951</u> |



Present Value of Vested Benefits

Table I-F

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|---------------------------------------|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$380,980 | \$380,980 | \$396,808 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$380,980 | \$380,980 | \$396,808 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$133,152 | \$133,152 | \$140,994 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$133,152 | \$133,152 | \$140,994 |
| <u>Due a Refund of Contributions</u> | \$149 | \$149 | \$149 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$0 | \$0 | \$0 |
| Disability retirements | \$0 | \$0 | \$0 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Grand Total</u> | <u>\$514,281</u> | <u>\$514,281</u> | <u>\$537,951</u> |



Entry Age Normal Accrued Liability

Table I-G

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|---------------------------------------|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$589,581 | \$589,581 | \$583,120 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$589,581 | \$589,581 | \$583,120 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$133,152 | \$133,152 | \$140,994 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$133,152 | \$133,152 | \$140,994 |
| <u>Due a Refund of Contributions</u> | \$149 | \$149 | \$149 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$0 | \$0 | \$0 |
| Disability retirements | \$0 | \$0 | \$0 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <u>Grand Total</u> | <u>\$722,882</u> | <u>\$722,882</u> | <u>\$724,263</u> |



GASB 25/27 Results

Table II-A

Development of the Net Pension Obligation (Asset)

| | |
|--|------------|
| Net Pension Obligation (Asset) as of October 1, 2012 | \$1,919 |
| Annual Pension Cost for the 2012/13 Plan Year | \$25,331 |
| Employer Contributions for the 2012/13 Plan Year | (\$23,542) |
| Net Increase (Decrease) in NPO | \$1,789 |
| Net Pension Obligation (Asset) as of October 1, 2013 | \$3,708 |
| Annual Pension Cost for the 2013/14 Plan Year | \$26,591 |
| Employer Contributions for the 2013/14 Plan Year | (\$24,900) |
| Net Increase (Decrease) in NPO | \$1,691 |
| Net Pension Obligation (Asset) as of October 1, 2014 | \$5,399 |



GASB 25/27 Disclosures

Table II-B

Schedule of Employer Contributions

| Year Ended <u>September 30</u> | Annual Required <u>Contribution</u> | % <u>Contrib.</u> | Annual Pension <u>Cost</u> | % <u>Contrib.</u> |
|-----------------------------------|---|----------------------|----------------------------------|----------------------|
| 2009 | \$48,297 | 100% | \$48,297 | 100% |
| 2010 | \$52,945 | 100% | \$52,945 | 100% |
| 2011 | \$37,588 | 99% | \$37,588 | 99% |
| 2012 | \$39,561 | 96% | \$39,563 | 96% |
| 2013 | \$25,338 | 93% | \$25,331 | 93% |
| 2014 | \$26,605 | 94% | \$26,591 | 94% |

Schedule of Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability * (AAL) | (3) Unfunded AAL (UAAL) (2) – (1) | (4) Funded Ratio (1) ÷ (2) | (5) Covered Payroll | (6) UAAL as % of Covered Payroll (3) ÷ (5) |
|--------------------------------|--|---|---|-------------------------------------|---------------------------|---|
| Not Applicable | N/A | N/A | N/A | N/A | N/A | N/A |
| October 1, 2010 | \$515,198 | \$468,313 | \$0 | 110.01% | \$150,291 | 0.00% |
| Not Applicable | N/A | N/A | N/A | N/A | N/A | N/A |
| October 1, 2012 | \$710,588 | \$456,299 | \$0 | 155.73% | \$160,017 | 0.00% |
| Not Applicable | N/A | N/A | N/A | N/A | N/A | N/A |
| October 1, 2014 | \$943,446 | \$724,263 | \$0 | 130.26% | \$119,534 | 0.00% |

* After 2006, the AAL has been calculated under the entry age normal cost method.

Additional Information

Valuation Date **October 1, 2014**

Actuarial Cost Method **Aggregate**

Amortization Method **Level dollar, open**

Remaining Amortization Period **30 years**

Asset Valuation Method **Market value**

Discount Rate **7.00%**

Salary Increase Rate **4.00%**



SFAS 35 Disclosures

Table II-C

Actuarial Present Value of Accrued Benefits

| | <u>As of October 1, 2012</u> | <u>As of October 1, 2014</u> |
|---|------------------------------|------------------------------|
| <u>Vested Benefits</u> | | |
| Participants currently receiving benefits | \$0 | \$0 |
| Other participants | \$363,806 | \$537,951 |
| Sub-total | <u>\$363,806</u> | <u>\$537,951</u> |
| <u>Non-Vested Benefits</u> | \$22,032 | \$0 |
| <u>Total Benefits</u> | <u><u>\$385,838</u></u> | <u><u>\$537,951</u></u> |
| <u>Funded Percentage</u> | 190.20% | 176.13% |
| (based on the market value of assets) | | |

Statement of Change in Actuarial Present Value of Accrued Benefits

| | |
|--|-------------------------|
| <u>Actuarial Present Value as of October 1, 2012</u> | <u>\$385,838</u> |
| <u>Increase (Decrease) Due To:</u> | |
| Interest | \$60,046 |
| Benefits accumulated | \$68,397 |
| Benefits paid | \$0 |
| Plan amendments | \$0 |
| Changes in actuarial methods and assumptions | \$23,670 |
| Net increase (decrease) | <u>\$152,113</u> |
| <u>Actuarial Present Value as of October 1, 2014</u> | <u><u>\$537,951</u></u> |



Actuarial Value of Assets

Table III-A

| | |
|--|-------------------------|
| Market Value of Assets as of October 1, 2014 | \$1,096,748 |
| Minus advance employer contributions | (\$4,059) |
| Minus excess Chapter 175/185 contributions | (\$149,243) |
| Actuarial Value of Assets as of October 1, 2014 | <u>\$943,446</u> |

Historical Actuarial Value of Assets

| | |
|-----------------|-----------|
| October 1, 2005 | \$193,497 |
| October 1, 2006 | \$242,346 |
| October 1, 2007 | \$342,838 |
| October 1, 2008 | \$349,903 |
| October 1, 2009 | \$414,239 |
| October 1, 2010 | \$515,198 |
| October 1, 2011 | \$560,980 |
| October 1, 2012 | \$710,588 |
| October 1, 2013 | \$835,123 |
| October 1, 2014 | \$943,446 |

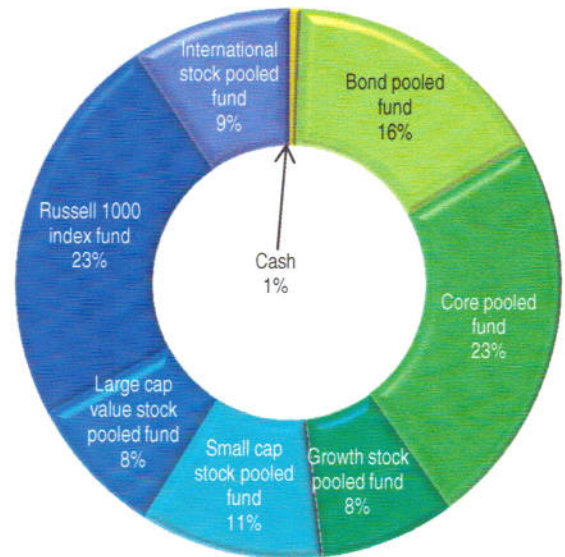


Market Value of Assets

Table III-B

As of October 1, 2014

| | |
|-----------------------------------|---------------------------|
| Market Value of Assets | <u>\$1,096,748</u> |
| Cash | \$6,580 |
| Bond pooled fund | \$175,470 |
| Core pooled fund | \$256,626 |
| Growth stock pooled fund | \$87,735 |
| Small cap stock pooled fund | \$119,539 |
| Large cap value stock pooled fund | \$89,929 |
| Russell 1000 index fund | \$256,626 |
| International stock pooled fund | \$104,186 |
| Employee contribution receivable | \$57 |

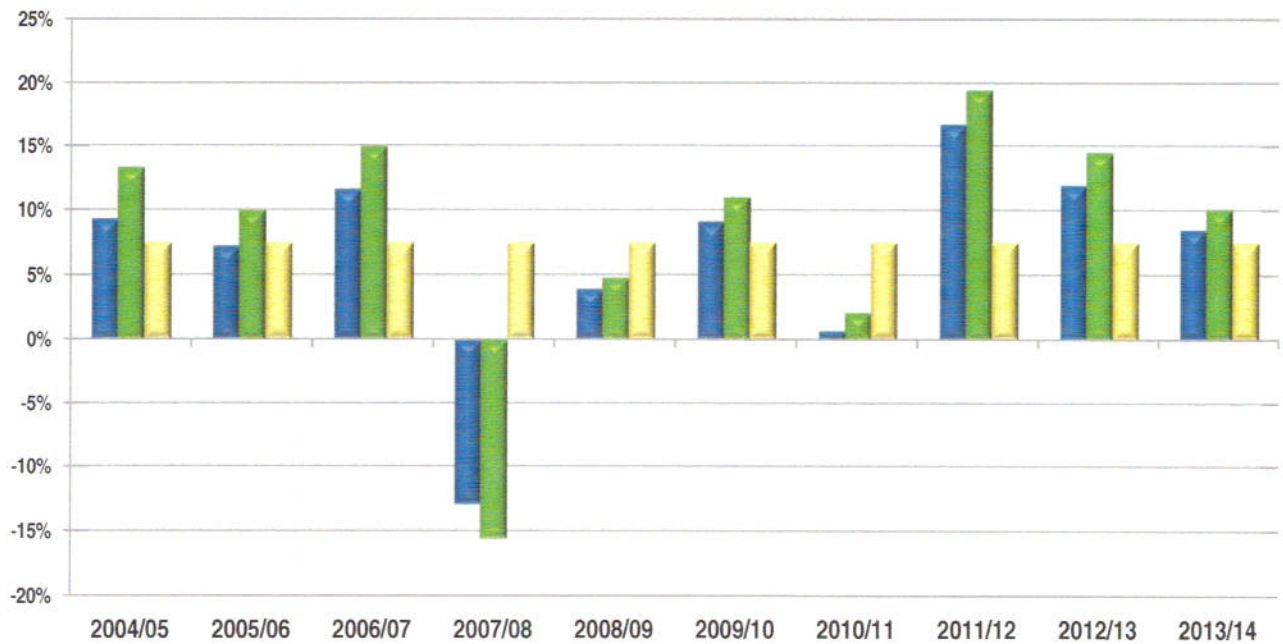
**Historical Market Value of Assets**

| | |
|-----------------|-------------|
| October 1, 2005 | \$268,319 |
| October 1, 2006 | \$329,725 |
| October 1, 2007 | \$412,648 |
| October 1, 2008 | \$435,914 |
| October 1, 2009 | \$500,312 |
| October 1, 2010 | \$613,988 |
| October 1, 2011 | \$687,696 |
| October 1, 2012 | \$861,097 |
| October 1, 2013 | \$994,365 |
| October 1, 2014 | \$1,096,748 |



Investment Return

Table III-C

*Annual Investment Returns*

■ Market Value Return
■ Actuarial Value Return
■ Assumed Return

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|--------------|---------------------------|------------------------------|-------------------|
| 2004/05 | 9.32% | 13.33% | 7.50% |
| 2005/06 | 7.21% | 10.02% | 7.50% |
| 2006/07 | 11.62% | 14.97% | 7.50% |
| 2007/08 | -12.93% | -15.61% | 7.50% |
| 2008/09 | 3.93% | 4.84% | 7.50% |
| 2009/10 | 9.10% | 11.01% | 7.50% |
| 2010/11 | 0.69% | 2.14% | 7.50% |
| 2011/12 | 16.70% | 19.41% | 7.50% |
| 2012/13 | 11.93% | 14.49% | 7.50% |
| 2013/14 | 8.52% | 10.10% | 7.50% |
| 10yr. Avg. | 6.31% | 8.03% | 7.50% |



Asset Reconciliation

Table III-D

| | <u>Market Value</u> | <u>Actuarial Value</u> |
|-------------------------------------|---------------------------|--------------------------|
| As of October 1, 2012 | \$861,097 | \$710,588 |
| <i>Increases Due To:</i> | | |
| Employer Contributions | \$15,483 | \$15,483 |
| Chapter 175/185 Contributions | \$35,752 | \$35,752 |
| Employee Contributions | \$3,060 | \$3,060 |
| Service Purchase Contributions | \$0 | \$0 |
| Total Contributions | <u>\$54,295</u> | <u>\$54,295</u> |
| Interest and Dividends | \$0 | |
| Realized Gains (Losses) | \$0 | |
| Unrealized Gains (Losses) | \$189,877 | |
| Total Investment Income | <u>\$189,877</u> | \$189,877 |
| Other Income | \$0 | |
| Total Income | <u>\$244,172</u> | <u>\$244,172</u> |
| <i>Decreases Due To:</i> | | |
| Monthly Benefit Payments | \$0 | \$0 |
| Refund of Employee Contributions | \$0 | \$0 |
| Total Benefit Payments | <u>\$0</u> | <u>\$0</u> |
| Investment Expenses | \$0 | |
| Administrative Expenses | (\$8,521) | (\$8,521) |
| Advance Employer Contribution | | \$19,213 |
| Excess Chapter 175/185 Contribution | | (\$22,006) |
| Total Expenses | <u>(\$8,521)</u> | <u>(\$11,314)</u> |
| As of October 1, 2014 | <u>\$1,096,748</u> | <u>\$943,446</u> |



Historical Trust Fund Detail

Table III-E

Income

| Plan | Employer | Chapter | Employee | Service | | Realized | Unrealized | |
|-------------|------------------|------------------|------------------|------------------|-------------------|----------------|----------------|---------------|
| <u>Year</u> | <u>Contribs.</u> | <u>Contribs.</u> | <u>Contribs.</u> | <u>Purchase</u> | <u>Interest /</u> | <u>Gains /</u> | <u>Gains /</u> | <u>Other</u> |
| | | | | <u>Contribs.</u> | <u>Dividends</u> | <u>Losses</u> | <u>Losses</u> | <u>Income</u> |
| 2004/05 | \$23,909 | \$15,406 | \$1,649 | \$0 | \$0 | \$0 | \$21,230 | \$0 |
| 2005/06 | \$25,393 | \$15,406 | \$1,747 | \$0 | \$0 | \$0 | \$20,796 | \$0 |
| 2006/07 | \$28,196 | \$16,100 | \$1,945 | \$0 | \$0 | \$0 | \$40,764 | \$0 |
| 2007/08 | \$66,477 | \$15,638 | \$1,836 | \$0 | \$0 | \$0 | -\$58,632 | \$0 |
| 2008/09 | \$48,359 | \$0 | \$1,841 | \$0 | \$0 | \$0 | \$18,057 | \$0 |
| 2009/10 | \$47,864 | \$17,798 | \$1,824 | \$0 | \$0 | \$0 | \$48,484 | \$0 |
| 2010/11 | \$38,944 | \$32,972 | \$1,483 | \$0 | \$0 | \$0 | \$4,500 | \$0 |
| 2011/12 | \$38,941 | \$16,094 | \$1,524 | \$0 | \$0 | \$0 | \$119,345 | \$0 |
| 2012/13 | \$15,483 | \$16,792 | \$1,487 | \$0 | \$0 | \$0 | \$104,412 | \$0 |
| 2013/14 | \$0 | \$18,960 | \$1,573 | \$0 | \$0 | \$0 | \$85,465 | \$0 |

Expenses

| Plan | Monthly | | | | <u>Other Actuarial Adjustments</u> | |
|-------------|-----------------|-----------------|-----------------|-----------------|---|------------------|
| <u>Year</u> | <u>Benefit</u> | <u>Contrib.</u> | <u>Admin.</u> | <u>Invest.</u> | <u>Advance</u> | <u>Excess</u> |
| | <u>Payments</u> | <u>Refunds</u> | <u>Expenses</u> | <u>Expenses</u> | <u>Employer</u> | <u>Chapter</u> |
| | | | | | <u>Contribs.</u> | <u>Contribs.</u> |
| 2004/05 | \$0 | \$0 | \$2,494 | \$0 | \$3,847 | \$8,533 |
| 2005/06 | \$0 | \$0 | \$1,936 | \$0 | \$4,024 | \$8,533 |
| 2006/07 | \$0 | \$1,021 | \$3,059 | \$0 | -\$26,796 | \$9,227 |
| 2007/08 | \$0 | \$0 | \$2,053 | \$0 | \$7,436 | \$8,765 |
| 2008/09 | \$0 | \$0 | \$3,859 | \$0 | \$62 | \$0 |
| 2009/10 | \$0 | \$0 | \$2,294 | \$0 | \$1,792 | \$10,925 |
| 2010/11 | \$0 | \$0 | \$4,191 | \$0 | \$15,573 | \$19,226 |
| 2011/12 | \$0 | \$0 | \$2,503 | \$0 | \$7,699 | \$9,221 |
| 2012/13 | \$0 | \$0 | \$4,906 | \$0 | -\$1,186 | \$9,919 |
| 2013/14 | \$0 | \$0 | \$3,615 | \$0 | -\$18,027 | \$12,087 |

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 III-F

Advance Employer Contribution

| | |
|---|-----------------|
| Advance Employer Contribution as of October 1, 2012 | \$23,272 |
| Additional Employer Contribution | \$22,356 |
| Minimum Required Contribution | (\$23,542) |
| Net Increase in Advance Employer Contribution | (\$1,186) |
| Advance Employer Contribution as of October 1, 2013 | <u>\$22,086</u> |
| Additional Employer Contribution | \$6,873 |
| Minimum Required Contribution | (\$24,900) |
| Net Increase in Advance Employer Contribution | (\$18,027) |
| Advance Employer Contribution as of October 1, 2014 | <u>\$4,059</u> |

Excess Chapter 175/185 Contribution

| | |
|---|------------------|
| Excess Chapter 175/185 Contribution as of October 1, 2012 | \$127,237 |
| Additional Chapter 175/185 Contribution | \$16,792 |
| Allowable Chapter 175/185 Contribution | (\$6,873) |
| Net Increase in Excess Chapter 175/185 Contribution | \$9,919 |
| Excess Chapter 175/185 Contribution as of October 1, 2013 | <u>\$137,156</u> |
| Additional Chapter 175/185 Contribution | \$18,960 |
| Allowable Chapter 175/185 Contribution | (\$6,873) |
| Net Increase in Excess Chapter 175/185 Contribution | \$12,087 |
| Excess Chapter 175/185 Contribution as of October 1, 2014 | <u>\$149,243</u> |



Allowable Chapter 175/185 Contribution

Table III-G

1997 Base Amounts

| | |
|---------------------------------------|---------|
| Chapter 175 Regular Distribution | \$0 |
| Chapter 175 Supplemental Distribution | \$0 |
| Chapter 185 Distribution | \$4,284 |

Qualifying Benefit Improvements

| | |
|-------------------|---------|
| Ordinance 2005-05 | \$2,589 |
|-------------------|---------|



Historical Chapter 175/185 Contributions

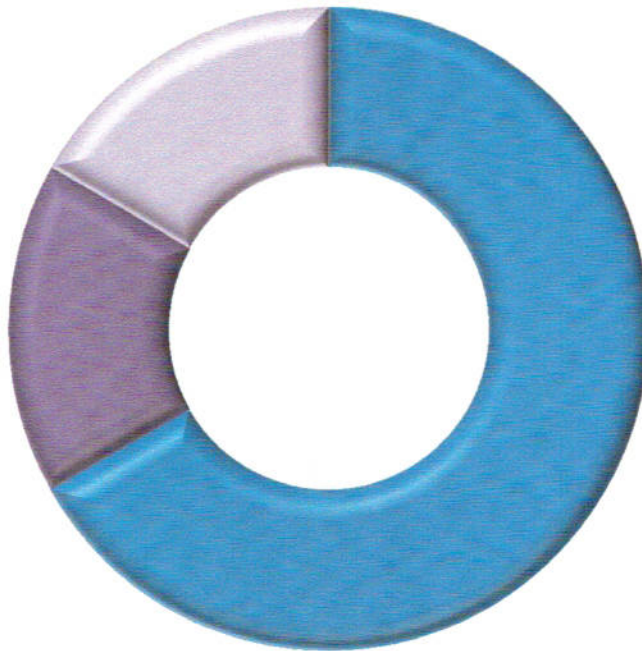
Table III-H

| Total Accumulated Excess Chapter 175/185 Contribution | | | | \$149,243 |
|--|---|--|-------------------------------------|-----------------------------|
| | <u>Chapter 175 Regular Distribution</u> | <u>Chapter 175 Supplemental Distribution</u> | <u>Chapter 185 Distribution</u> | <u>Allowable Amount</u> |
| 1998 Distribution | \$0 | \$0 | \$5,966 | (\$4,284) |
| 1999 Distribution | \$0 | \$0 | \$15,755 | (\$4,284) |
| 2000 Distribution | \$0 | \$0 | \$9,538 | (\$4,284) |
| 2001 Distribution | \$0 | \$0 | \$11,845 | (\$4,284) |
| 2002 Distribution | \$0 | \$0 | \$12,646 | (\$4,284) |
| 2003 Distribution | \$0 | \$0 | \$16,499 | (\$4,284) |
| 2004 Distribution | \$0 | \$0 | \$15,406 | (\$6,873) |
| 2005 Distribution | \$0 | \$0 | \$15,406 | (\$6,873) |
| 2006 Distribution | \$0 | \$0 | \$16,100 | (\$6,873) |
| 2007 Distribution | \$0 | \$0 | \$15,638 | (\$6,873) |
| 2008 Distribution | \$0 | \$0 | \$17,798 | (\$6,873) |
| 2009 Distribution | \$0 | \$0 | \$17,333 | (\$6,873) |
| 2010 Distribution | \$0 | \$0 | \$15,639 | (\$6,873) |
| 2011 Distribution | \$0 | \$0 | \$16,094 | (\$6,873) |
| 2012 Distribution | \$0 | \$0 | \$16,792 | (\$6,873) |
| 2013 Distribution | \$0 | \$0 | \$18,960 | (\$6,873) |
| Interest Adjustment | | | | \$6,262 |



Summary of Participant Data

Table IV-A

As of October 1, 2014Actively Employed Participants

| | |
|---------------------|---|
| Active Participants | 4 |
| DROP Participants | 0 |

Inactive Participants

| | |
|-------------------------------|---|
| Deferred Vested Participants | 1 |
| Due a Refund of Contributions | 1 |
| Deferred Beneficiaries | 0 |

Participants Receiving a Benefit

| | |
|-------------------------|---|
| Service Retirements | 0 |
| Disability Retirements | 0 |
| Beneficiaries Receiving | 0 |

Total Participants 6Number of Participants Included in Prior Valuations

| | <i>Active</i> | <i>DROP</i> | <i>Inactive</i> | <i>Retired</i> | <i>Total</i> |
|-----------------|---------------|-------------|-----------------|----------------|--------------|
| October 1, 2005 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2006 | 6 | 0 | 0 | 0 | 6 |
| October 1, 2007 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2008 | 5 | 0 | 1 | 0 | 6 |
| October 1, 2009 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2010 | 4 | 0 | 2 | 0 | 6 |
| October 1, 2011 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2012 | 4 | 0 | 2 | 0 | 6 |
| October 1, 2013 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2014 | 4 | 0 | 2 | 0 | 6 |



Data Reconciliation

Table IV-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, 2012</u> | 4 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 6 |
| <u>Change in Status</u> | | | | | | | | | |
| Re-employed | | | | | | | | | |
| Terminated | | | | | | | | | |
| Retired | | | | | | | | | |
| <u>Participation Ended</u> | | | | | | | | | |
| Transferred Out | | | | | | | | | |
| Cashed Out | | | | | | | | | |
| Died | | | | | | | | | |
| <u>Participation Began</u> | | | | | | | | | |
| Newly Hired | | | | | | | | | |
| Transferred In | | | | | | | | | |
| New Beneficiary | | | | | | | | | |
| <u>Other Adjustment</u> | | | | | | | | | |
| <u>October 1, 2014</u> | 4 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 6 |

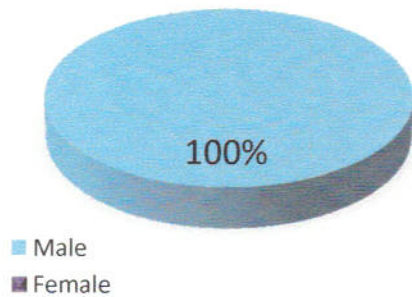


Active Participant Data

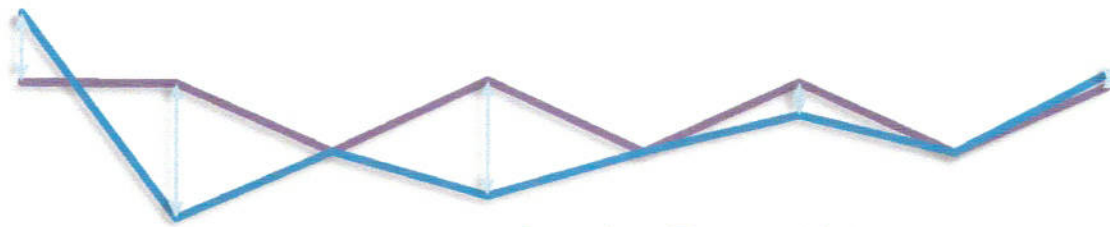
Table IV-C

As of October 1, 2014

Gender Mix



| | |
|--|------------|
| Average Age | 45.5 years |
| Average Service | 11.5 years |
| Total Annualized Compensation for the Prior Year | \$157,302 |
| Total Expected Compensation for the Current Year | \$119,534 |
| Average Increase in Compensation for the Prior Year | 5.96% |
| Expected Increase in Compensation for the Current Year | 4.00% |
| Accumulated Contributions for Active Employees | \$17,830 |



Actual vs. Expected Salary Increases

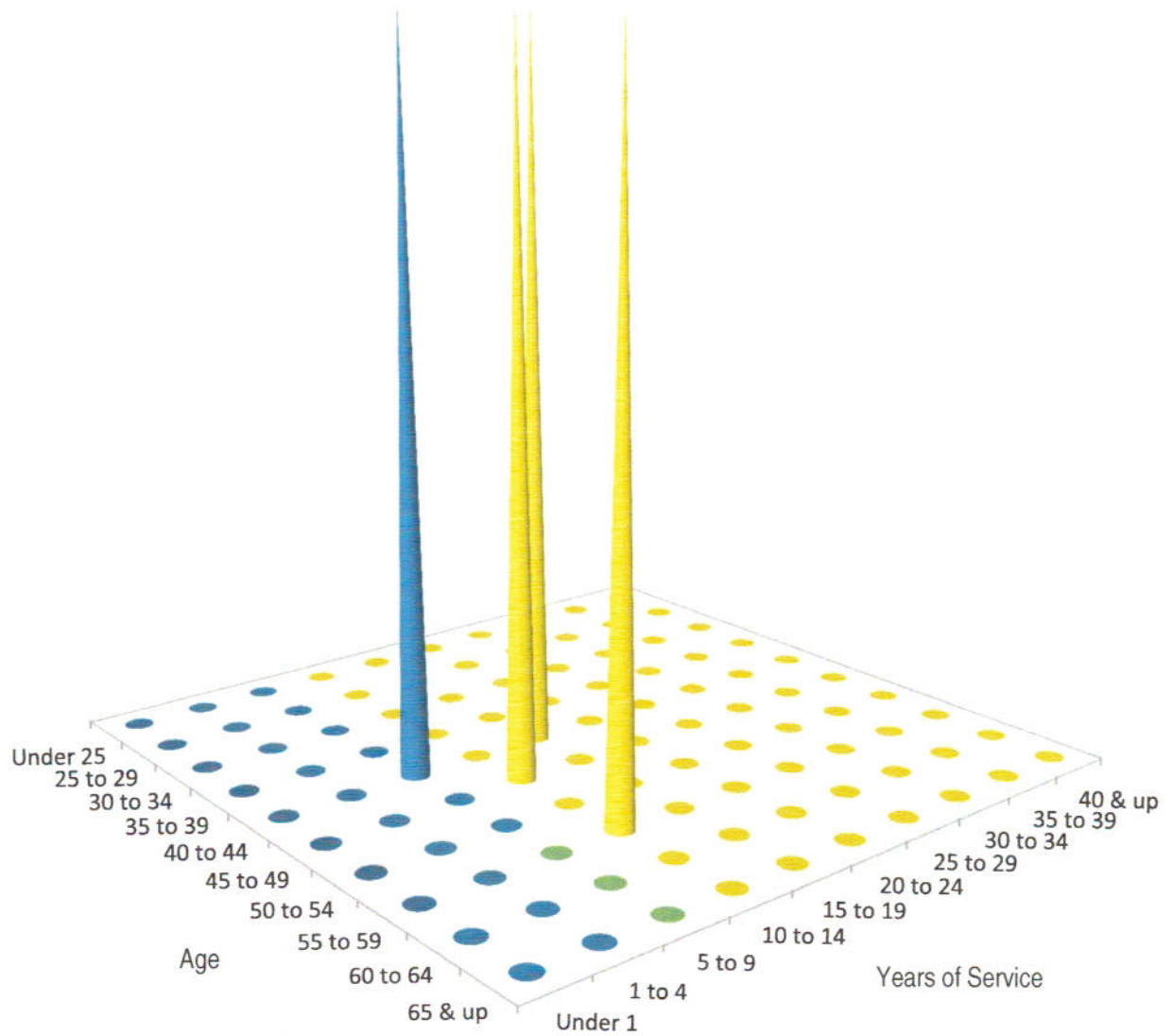
Active Participant Statistics From Prior Valuations

| | Average Age | Average Service | Average Salary | Average Expected Salary Increase | Average Actual Salary Increase |
|-----------------|-------------|-----------------|----------------|----------------------------------|--------------------------------|
| October 1, 2005 | N/A | N/A | \$32,977 | 5.85% | 0.42% |
| October 1, 2006 | 36.6 | 4.7 | \$32,341 | 5.37% | -0.49% |
| October 1, 2007 | N/A | N/A | \$39,087 | 5.11% | 10.19% |
| October 1, 2008 | 41.1 | 6.8 | \$36,723 | 5.00% | -4.90% |
| October 1, 2009 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2010 | 41.5 | 7.5 | \$35,745 | 5.25% | -3.23% |
| October 1, 2011 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2012 | 43.5 | 9.5 | \$38,100 | 5.12% | 2.73% |
| October 1, 2013 | N/A | N/A | N/A | N/A | N/A |
| October 1, 2014 | 45.5 | 11.5 | \$39,326 | 5.00% | 5.96% |



Active Age-Service Distribution

Table IV-D



- ▲ Eligible to retire
- ▲ May be eligible to retire
- ▲ Not eligible to retire



Active Age-Service-Salary Table

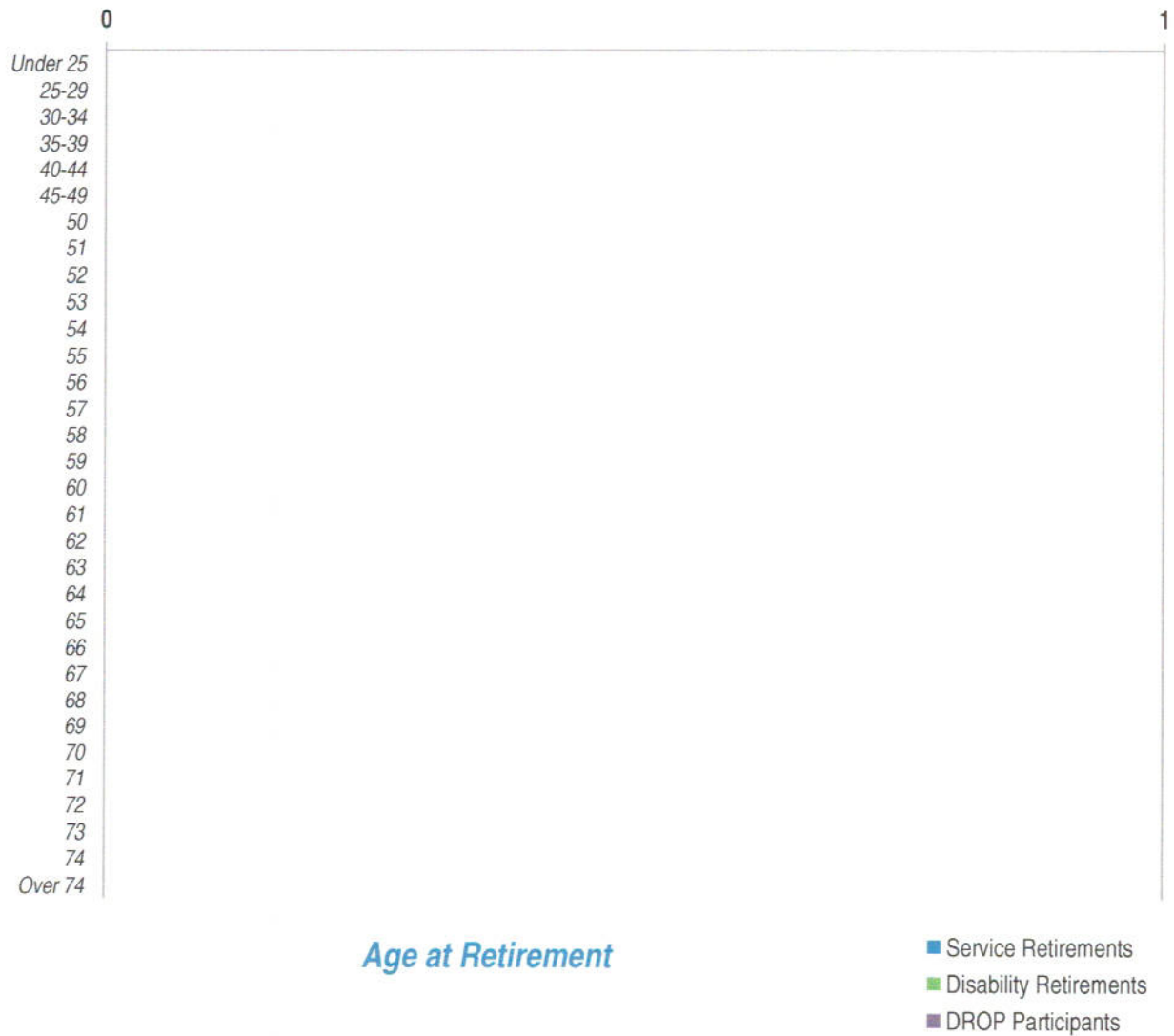
Table IV-E

| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg. Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg. Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 to 44 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Avg. Pay | 0 | 0 | 35,417 | 0 | 41,696 | 0 | 0 | 0 | 0 | 0 | 38,557 |
| 45 to 49 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Avg. Pay | 0 | 0 | 0 | 37,824 | 0 | 0 | 0 | 0 | 0 | 0 | 37,824 |
| 50 to 54 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg. Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55 to 59 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Avg. Pay | 0 | 0 | 0 | 42,365 | 0 | 0 | 0 | 0 | 0 | 0 | 42,365 |
| 60 to 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg. Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 4 |
| Avg. Pay | 0 | 0 | 35,417 | 40,095 | 41,696 | 0 | 0 | 0 | 0 | 0 | 39,326 |



Inactive Participant Data

Table IV-F

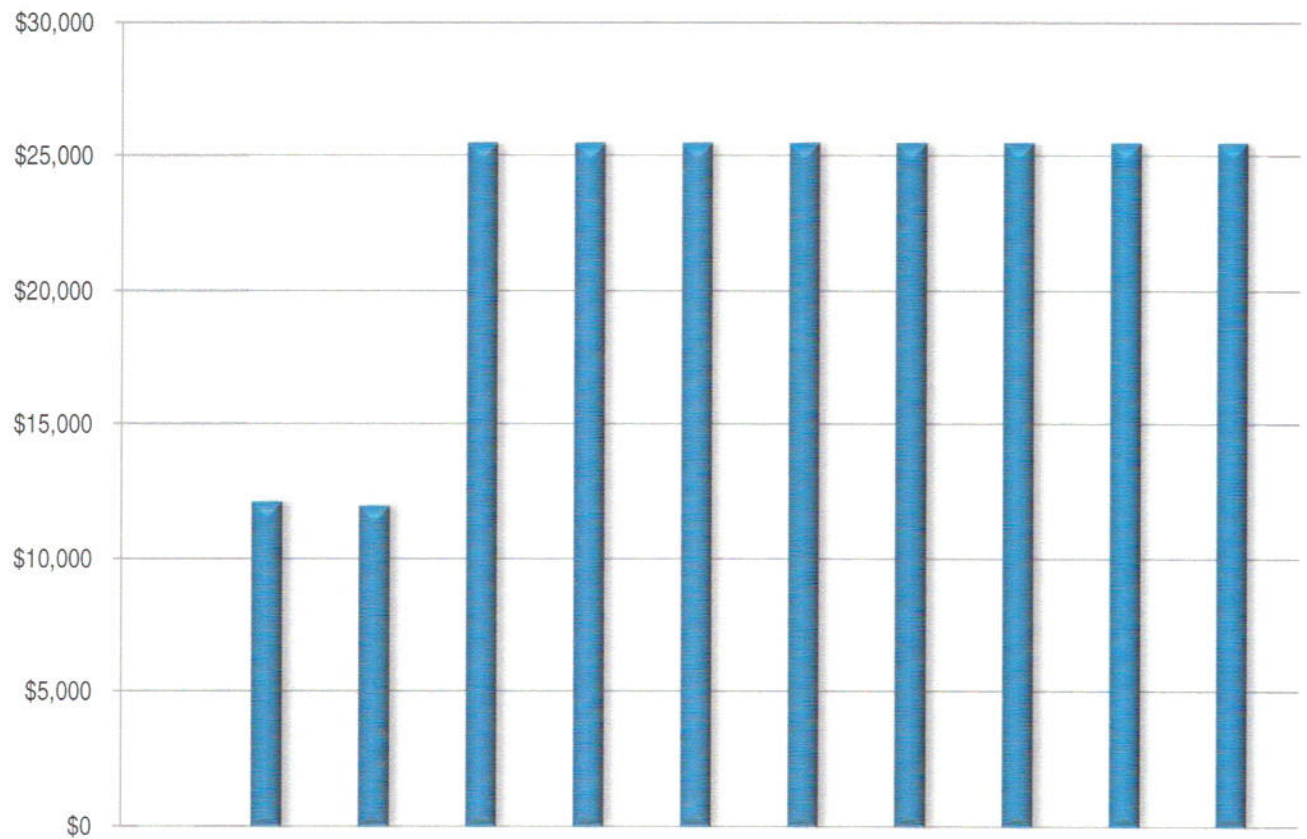
Average Monthly Benefit

| | |
|------------------------------|----------------|
| Service Retirements | Not applicable |
| Disability Retirements | Not applicable |
| Beneficiaries Receiving | Not applicable |
| DROP Participants | Not applicable |
| Deferred Vested Participants | \$1,122.35 |
| Deferred Beneficiaries | Not applicable |



Projected Benefit Payments

Table IV-G

Actual

For the period October 1, 2013 through September 30, 2014

\$0

Projected

For the period October 1, 2014 through September 30, 2015

\$12,140

For the period October 1, 2015 through September 30, 2016

\$11,991

For the period October 1, 2016 through September 30, 2017

\$25,459

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

\$25,459

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

\$25,459

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

\$25,459

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

\$25,459

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

\$25,459

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

\$25,459

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

\$25,459



Summary of Actuarial Methods and Assumptions

Table V-A

1. **Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. **Asset Method**

The actuarial value of assets is equal to the market value of assets.

3. **Interest (or Discount) Rate**

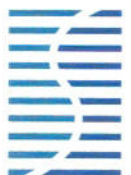
7.00% per annum

4. **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.

5. **Decrements**

- Pre-retirement mortality: None assumed
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; generational mortality improvements have not been reflected.
- Disability: None assumed
- Termination: None assumed
- Retirement: Retirement is assumed to occur at normal retirement age.



Summary of Actuarial Methods and Assumptions

Table V-A

(continued)

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity.

7. Expenses

The total projected benefit liability has been loaded by 4.75% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table V-B

Since the completion of the previous valuation, the following assumptions have been changed:

- (1) The assumed interest (or discount) rate has been decreased from 7.50% per annum to 7.00% per annum.
- (2) The assumed increase in future compensation has been changed from rates that ranged from 8.00% (for less than one year of service) to 5.00% (for at least four years of service) to a flat 4.00% per year.
- (3) The 4.00% increase in average earnings to account for lump sum payments upon termination of employment was eliminated.
- (4) The mortality basis was changed from the 1994 Group Annuity Reserving Table, projected to 2002 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA.



Summary of Plan Provisions

Table VI-A

1. Monthly Accrued Benefit

3% of Average Final Compensation multiplied by Credited Service

2. Normal Retirement Age and Benefit

- **Age**

Age 55 with at least six years of Credited Service; or
Any age with at least 25 years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Actuarially increased single life annuity (optional);
10-year certain and life annuity (normal form of payment);
Actuarially reduced 50% joint and contingent annuity (optional);
Actuarially reduced 66²/₃% joint and contingent annuity (optional);
Actuarially reduced 75% joint and contingent annuity (optional);
Actuarially reduced 100% joint and contingent annuity (optional);
Any other actuarially equivalent form of payment approved by the Board; or
Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100)

(Note: A participant may change his joint annuitant up to two times after retirement.)

3. Early Retirement Age and Benefit

- **Age**

Any age with at least 10 years of Credited Service

- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

4. Service Incurred Disability Eligibility and Benefit

- **Eligibility**

The participant is eligible if his disability was incurred during the course of his employment with the City.

- **Condition**

The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment as a police officer.

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Monthly Earnings:

- (a) Monthly Accrued Benefit; or
- (b) 42% of Average Final Compensation

5. Non-Service Incurred Disability Eligibility and Benefit

- **Eligibility**

The participant must have earned at least 10 years of Credited Service if his disability was incurred other than during the course of his employment with the City.

- **Condition**

Same as for a Service Incurred Disability Benefit

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Monthly Earnings:

- (a) Monthly Accrued Benefit; or
- (b) 25% of Average Final Compensation

6. 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 VI-A

(continued)

7. Deferred Vested Benefit

- **Age**
Any age with at least six years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement

8. Pre-Retirement Death Benefit

In the case of the death of a vested participant prior to retirement, his beneficiary will receive the participant's Monthly Accrued Benefit payable for 10 years beginning on the participant's early or normal retirement date. In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan. Regardless of vested status, the beneficiary of a participant who dies in the line of duty receives a minimum lifetime benefit equal to 50% of the participant's salary at the time of his death.

9. Average Final Compensation

Average of the highest five years of Compensation out of the last 10 years of employment (or career average, if higher)

10. Compensation

Total cash remuneration for services rendered, excluding payments for extra duty or special detail work performed on behalf of a second party employer; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

11. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death.



Summary of Plan Provisions

Table VI-A

(continued)

12. Participation Requirement

All police officers of the City of Lake Helen, Florida automatically become a participant in the plan on their date of hire.

13. Accumulated Contributions

The Employee Contributions accumulated with no interest; if the participant terminates his employment with less than six years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.

12. Participant Contribution

1.00% of earnings

13. Definition of Actuarially Equivalent

- **Interest Rate**

7.50% per annum

- **Mortality Table**

The unisex mortality table promulgated by the Secretary of the Treasury for purposes of Internal Revenue Code (IRC) section 417(e)(3)

14. Plan Effective Date

January 1, 1996



Summary of Plan Amendments

Table VI-B

No plan changes were adopted since the completion of the previous valuation.

