

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

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2015

DETERMINES THE CONTRIBUTION  
FOR THE 2015/16 FISCAL YEAR



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March 12, 2016

## Introduction

This report presents the results of the October 1, 2015 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, 2015 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2015/16 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 normal cost rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2015/16 plan year. The minimum required contribution rate is 23.01% of covered payroll, which represents an increase of 18.40% of payroll from the prior valuation.

The normal cost rate is 22.19%, which is 17.74% higher 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 increased by 4.87% of payroll due to investment losses and increased by another 12.87% of payroll due to demographic experience. The market value of assets lost 0.03% during the 2014/15 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 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 2015/16 minimum required contribution will be equal to 23.01% multiplied by the total pensionable earnings for the 2015/16 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 2015/16 plan year. If an actuarial valuation is not prepared as of October 1, 2016, then the 23.01% contribution rate should also be applied to the covered payroll for the 2016/17 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 \$1,249,569. As illustrated in Table I-A, current assets are sufficient to cover \$934,524 of this amount, the employer's 2015/16 expected contribution will cover \$27,590 of this amount, and future employee contributions are expected to cover \$13,585 of this amount, leaving \$273,870 to be covered by future employer funding beyond the 2015/16 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, 2015, the plan has accumulated excess Chapter 175/185 contributions of \$160,298 as shown in Table II-F. This amount is equal to the accumulated excess Chapter 175/185 contribution balance as of October 1, 2014 plus \$11,055 of additional excess Chapter 175/185 contributions that were received during the 2014/15 plan year. The total Chapter 175/185 distribution received during the 2014/15 plan year was \$17,928, of which \$6,873 was allowed to be used to offset the City's minimum required contribution for this period. Tables II-G and II-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, 2015, the advance employer contribution is \$11,601, which reflects the advance employer contribution of \$4,059 as of October 1, 2014 plus \$7,542 that the City contributed to the plan in excess of the minimum required contribution for the 2014/15 plan year as shown in Table II-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-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 market value of assets. 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, 2015, 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. 14-04927

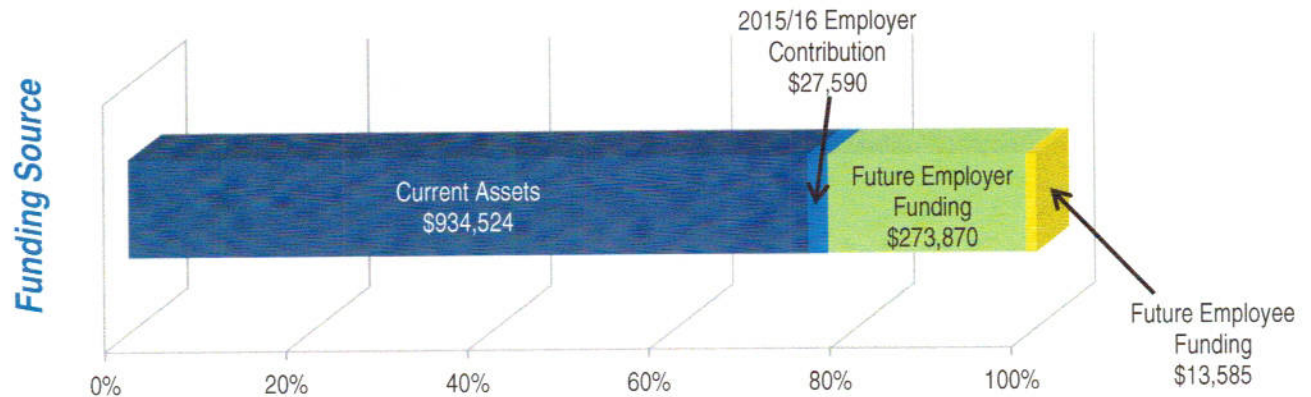
*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*





## Minimum Required Contribution

Table I-A



### For the 2015/16 Plan Year

Present Value of Future Benefits	\$1,192,906
Present Value of Future Administrative Expenses	\$56,663
Actuarial Value of Assets	(\$934,524)
Present Value of Future Employee Contributions	(\$13,585)
Present Value of Future Normal Costs	\$301,460
Present Value of Future Payroll	÷ \$1,358,477
Normal Cost Rate	= 22.191%
Expected Payroll	x \$119,879
Normal Cost	\$26,602
Adjustment to Reflect Monthly Employer Contributions	\$988
Preliminary Employer Contribution for the 2015/16 Plan Year	\$27,590

Expected Payroll for the 2015/16 Plan Year ÷ \$119,879

**Minimum Required Contribution Rate** **23.01%**

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

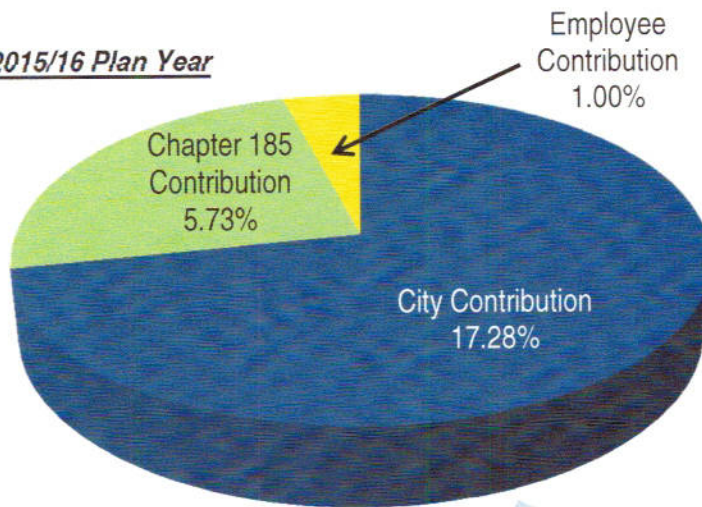


## Minimum Required Contribution

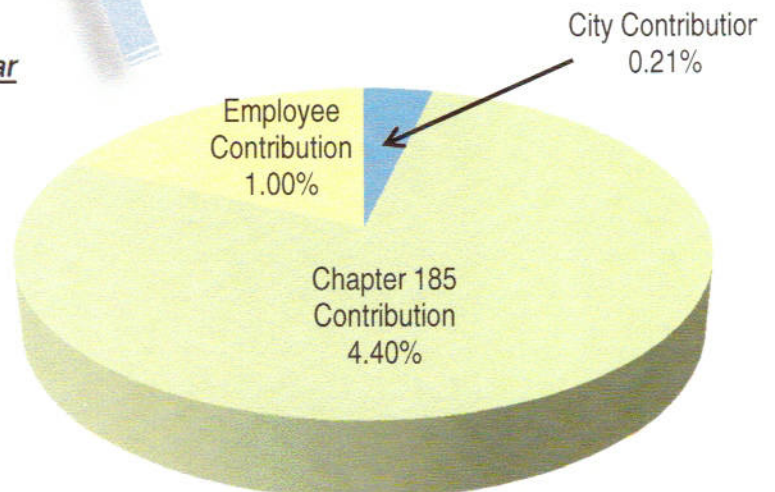
Table I-A  
(continued)

The minimum required contribution rate of 23.01% 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 17.28% based on the allowable Chapter 185 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2015/16 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.

For the 2015/16 Plan Year

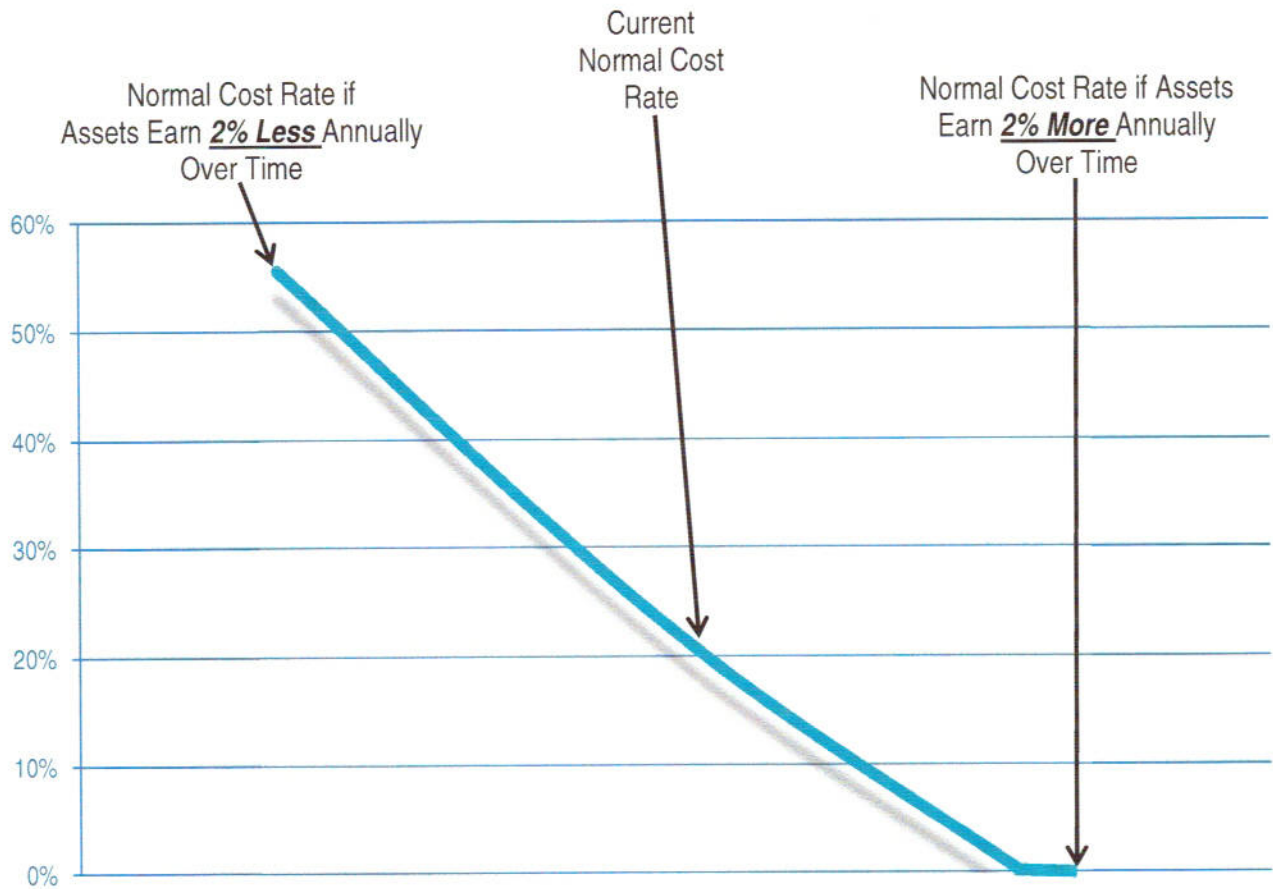


For the 2014/15 Plan Year



Sensitivity Analysis

Table I-B



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

1





## Gain and Loss Analysis

Table I-C

Previous normal cost rate	4.45%
Increase (decrease) due to investment gains and losses	4.87%
Increase (decrease) due to demographic experience	12.87%
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 normal cost rate	<u>22.19%</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	\$647,505	\$647,505	\$647,505
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$647,505</b>	<b>\$647,505</b>	<b>\$647,505</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$151,083	\$151,083	\$151,083
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$151,083</b>	<b>\$151,083</b>	<b>\$151,083</b>
<u>Due a Refund of Contributions</u>	<b>\$149</b>	<b>\$149</b>	<b>\$149</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$155,766	\$155,766	\$155,766
Disability retirements	\$238,403	\$238,403	\$238,403
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$394,169</b>	<b>\$394,169</b>	<b>\$394,169</b>
<u>Grand Total</u>	<b><u>\$1,192,906</u></b>	<b><u>\$1,192,906</u></b>	<b><u>\$1,192,906</u></b>
Present Value of Future Payroll	\$1,358,477	\$1,358,477	\$1,358,477
Present Value of Future Employee Contribs.	\$13,585	\$13,585	\$13,585
Present Value of Future Employer Contribs.	\$301,460	\$301,460	\$301,460





## Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$190,677	\$190,677	\$190,677
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$190,677</b>	<b>\$190,677</b>	<b>\$190,677</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$151,083	\$151,083	\$151,083
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$151,083</b>	<b>\$151,083</b>	<b>\$151,083</b>
<u>Due a Refund of Contributions</u>	<b>\$149</b>	<b>\$149</b>	<b>\$149</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$155,766	\$155,766	\$155,766
Disability retirements	\$238,403	\$238,403	\$238,403
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$394,169</b>	<b>\$394,169</b>	<b>\$394,169</b>
<u>Grand Total</u>	<b><u>\$736,078</u></b>	<b><u>\$736,078</u></b>	<b><u>\$736,078</u></b>



Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$189,177	\$189,177	\$189,177
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$189,177</b>	<b>\$189,177</b>	<b>\$189,177</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$151,083	\$151,083	\$151,083
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$151,083</b>	<b>\$151,083</b>	<b>\$151,083</b>
<u>Due a Refund of Contributions</u>	<b>\$149</b>	<b>\$149</b>	<b>\$149</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$155,766	\$155,766	\$155,766
Disability retirements	\$238,403	\$238,403	\$238,403
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$394,169</b>	<b>\$394,169</b>	<b>\$394,169</b>
<u>Grand Total</u>	<b><u>\$734,578</u></b>	<b><u>\$734,578</u></b>	<b><u>\$734,578</u></b>

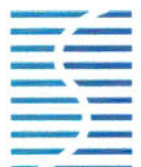




Entry Age Normal Accrued Liability

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	\$341,776	\$341,776	\$341,776
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$341,776</b>	<b>\$341,776</b>	<b>\$341,776</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$151,083	\$151,083	\$151,083
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$151,083</b>	<b>\$151,083</b>	<b>\$151,083</b>
<u>Due a Refund of Contributions</u>	<b>\$149</b>	<b>\$149</b>	<b>\$149</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$155,766	\$155,766	\$155,766
Disability retirements	\$238,403	\$238,403	\$238,403
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$394,169</b>	<b>\$394,169</b>	<b>\$394,169</b>
<u>Grand Total</u>	<b><u>\$887,177</u></b>	<b><u>\$887,177</u></b>	<b><u>\$887,177</u></b>



## Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2015	\$1,106,423
Minus advance employer contributions	(\$11,601)
Minus excess Chapter 175/185 contributions	(\$160,298)
<b>Actuarial Value of Assets as of October 1, 2015</b>	<b><u>\$934,524</u></b>

**Historical Actuarial Value of Assets**

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
October 1, 2015	\$934,524



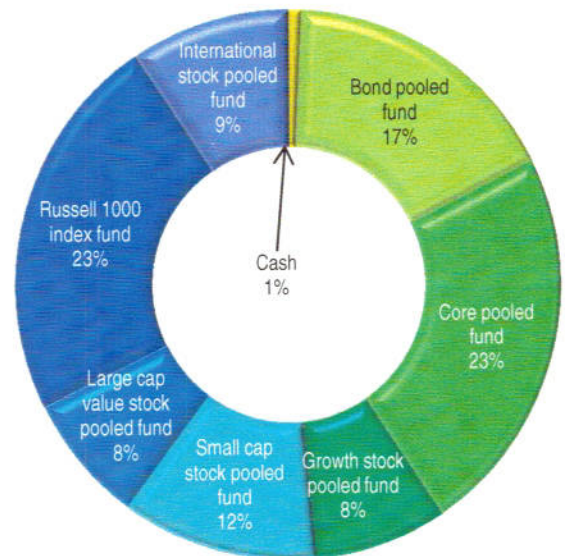


## Market Value of Assets

Table II-B

As of October 1, 2015

<b>Market Value of Assets</b>	<b><u>\$1,106,423</u></b>
Cash	\$8,851
Bond pooled fund	\$185,879
Core pooled fund	\$254,477
Growth stock pooled fund	\$87,407
Small cap stock pooled fund	\$129,452
Large cap value stock pooled fund	\$82,982
Russell 1000 index fund	\$253,371
International stock pooled fund	\$104,004

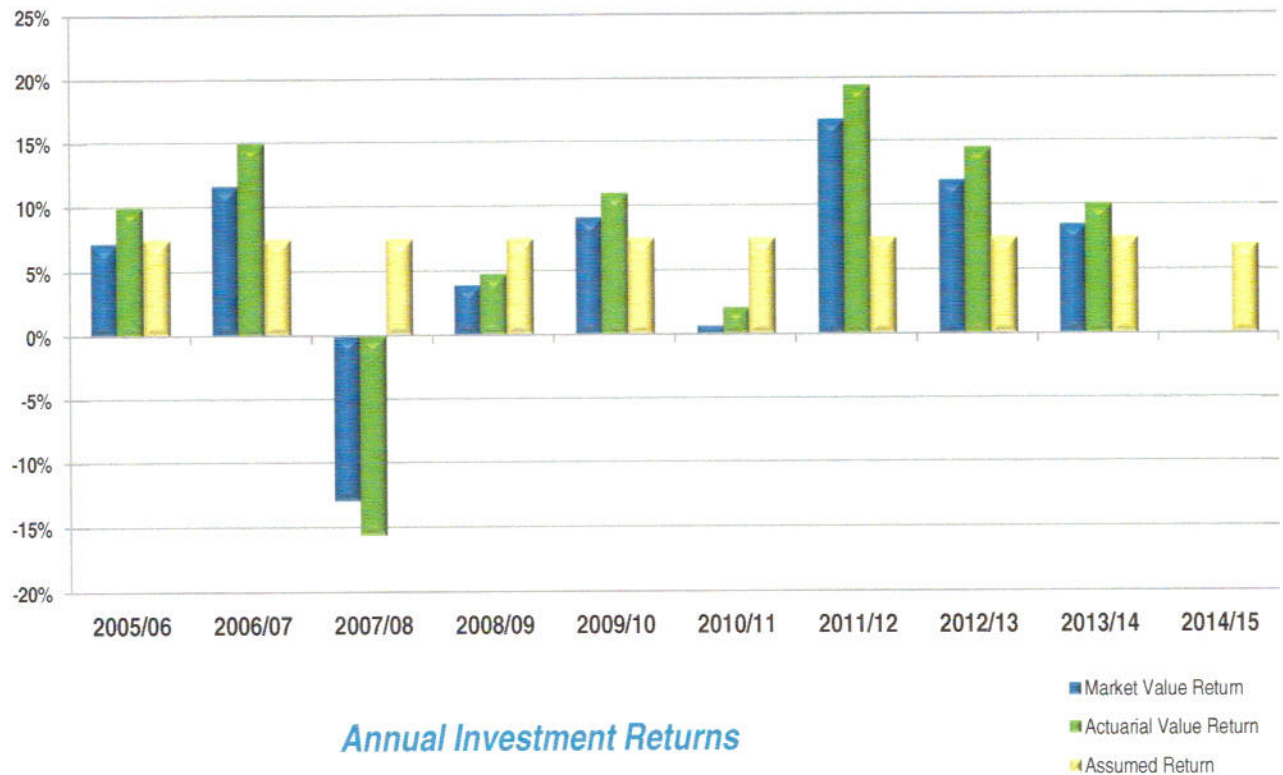
Historical Market Value of Assets

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
October 1, 2015	\$1,106,423



## Investment Return

Table II-C

*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
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%
2014/15	-0.03%	-0.04%	7.00%
10yr. Avg.	5.36%	6.68%	7.45%





## Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
<b>As of October 1, 2014</b>	<b>\$1,096,748</b>	<b>\$943,446</b>
<b><i>Increases Due To:</i></b>		
Employer Contributions	\$7,872	\$7,872
Chapter 175/185 Contributions	\$17,928	\$17,928
Employee Contributions	\$1,562	\$1,562
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$27,362</u>	<u>\$27,362</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	(\$350)	
Total Investment Income	<u>(\$350)</u>	(\$350)
Other Income	\$0	
<b>Total Income</b>	<u><b>\$27,012</b></u>	<u><b>\$27,012</b></u>
<b><i>Decreases Due To:</i></b>		
Monthly Benefit Payments	(\$10,022)	(\$10,022)
Refund of Employee Contributions	\$0	\$0
Total Benefit Payments	<u>(\$10,022)</u>	<u>(\$10,022)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$7,315)	(\$7,315)
Advance Employer Contribution		(\$7,542)
Excess Chapter 175/185 Contribution		(\$11,055)
<b>Total Expenses</b>	<u><b>(\$17,337)</b></u>	<u><b>(\$35,934)</b></u>
<b>As of October 1, 2015</b>	<u><b>\$1,106,423</b></u>	<u><b>\$934,524</b></u>



## Historical Trust Fund Detail

Table II-E

**Income**

Plan Year	Employer Contribs.	Chapter Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
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
2014/15	\$7,872	\$17,928	\$1,562	\$0	\$0	\$0	-\$350	\$0

**Expenses**

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses
2005/06	\$0	\$0	\$1,936	\$0
2006/07	\$0	\$1,021	\$3,059	\$0
2007/08	\$0	\$0	\$2,053	\$0
2008/09	\$0	\$0	\$3,859	\$0
2009/10	\$0	\$0	\$2,294	\$0
2010/11	\$0	\$0	\$4,191	\$0
2011/12	\$0	\$0	\$2,503	\$0
2012/13	\$0	\$0	\$4,906	\$0
2013/14	\$0	\$0	\$3,615	\$0
2014/15	\$10,022	\$0	\$7,315	\$0

**Other Actuarial Adjustments**

Advance Employer Contribs.	Excess Chapter Contribs.
\$4,024	\$8,533
-\$26,796	\$9,227
\$7,436	\$8,765
\$62	\$0
\$1,792	\$10,925
\$15,573	\$19,226
\$7,699	\$9,221
-\$1,186	\$9,919
-\$18,027	\$12,087
\$7,542	\$11,055

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, 2014	\$4,059
Additional Employer Contribution	\$14,745
Minimum Required Contribution	(\$7,203)
Net Increase in Advance Employer Contribution	\$7,542
Advance Employer Contribution as of October 1, 2015	<u>\$11,601</u>

**Excess Chapter 175/185 Contribution**

Excess Chapter 175/185 Contribution as of October 1, 2014	\$149,243
Additional Chapter 175/185 Contribution	\$17,928
Allowable Chapter 175/185 Contribution	(\$6,873)
Net Increase in Excess Chapter 175/185 Contribution	\$11,055
Excess Chapter 175/185 Contribution as of October 1, 2015	<u>\$160,298</u>





## Allowable Chapter 175/185 Contribution

Table II-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
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## Historical Chapter 175/185 Contributions

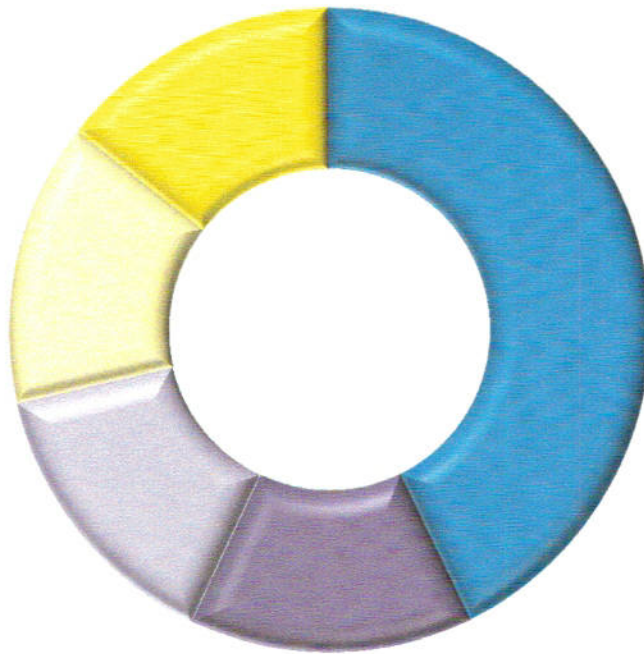
Table II-H

<b>Total Accumulated Excess Chapter 175/185 Contribution</b>				<b>\$160,298</b>
	<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)
2014 Distribution	\$0	\$0	\$17,928	(\$6,873)
Interest Adjustment				\$6,262



## Summary of Participant Data

Table III-A

**As of October 1, 2015**Actively Employed Participants

Active Participants	3
DROP Participants	0

Inactive Participants

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

Participants Receiving a Benefit

Service Retirements	1
Disability Retirements	1
Beneficiaries Receiving	0

**Total Participants 7**Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
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
October 1, 2015	3	0	2	2	7





## Data Reconciliation

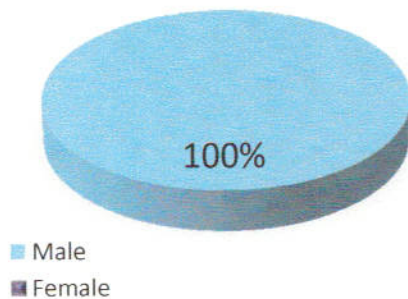
Table III-B

	<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, 2014</u>	4	0	1	1	0	0	0	0	6
<u>Change in Status</u>									
Re-employed									
Terminated	(2)					1	1		
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired	1								1
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2015</u>	3	0	1	1	0	1	1	0	7

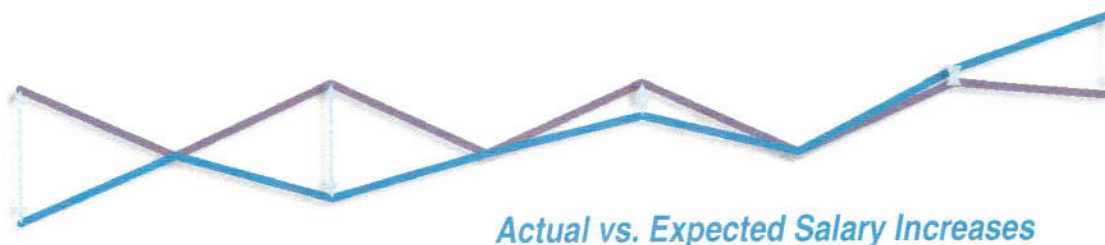


## Active Participant Data

Table III-C

As of October 1, 2015**Gender Mix**

<i>Average Age</i>	36.3 years
<i>Average Service</i>	8.0 years
<i>Total Annualized Compensation for the Prior Year</i>	\$115,268
<i>Total Expected Compensation for the Current Year</i>	\$119,879
<i>Average Increase in Compensation for the Prior Year</i>	9.89%
<i>Expected Increase in Compensation for the Current Year</i>	4.00%
<i>Accumulated Contributions for Active Employees</i>	\$9,657

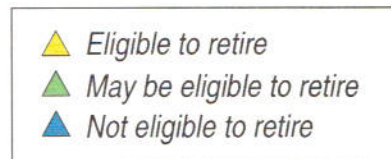
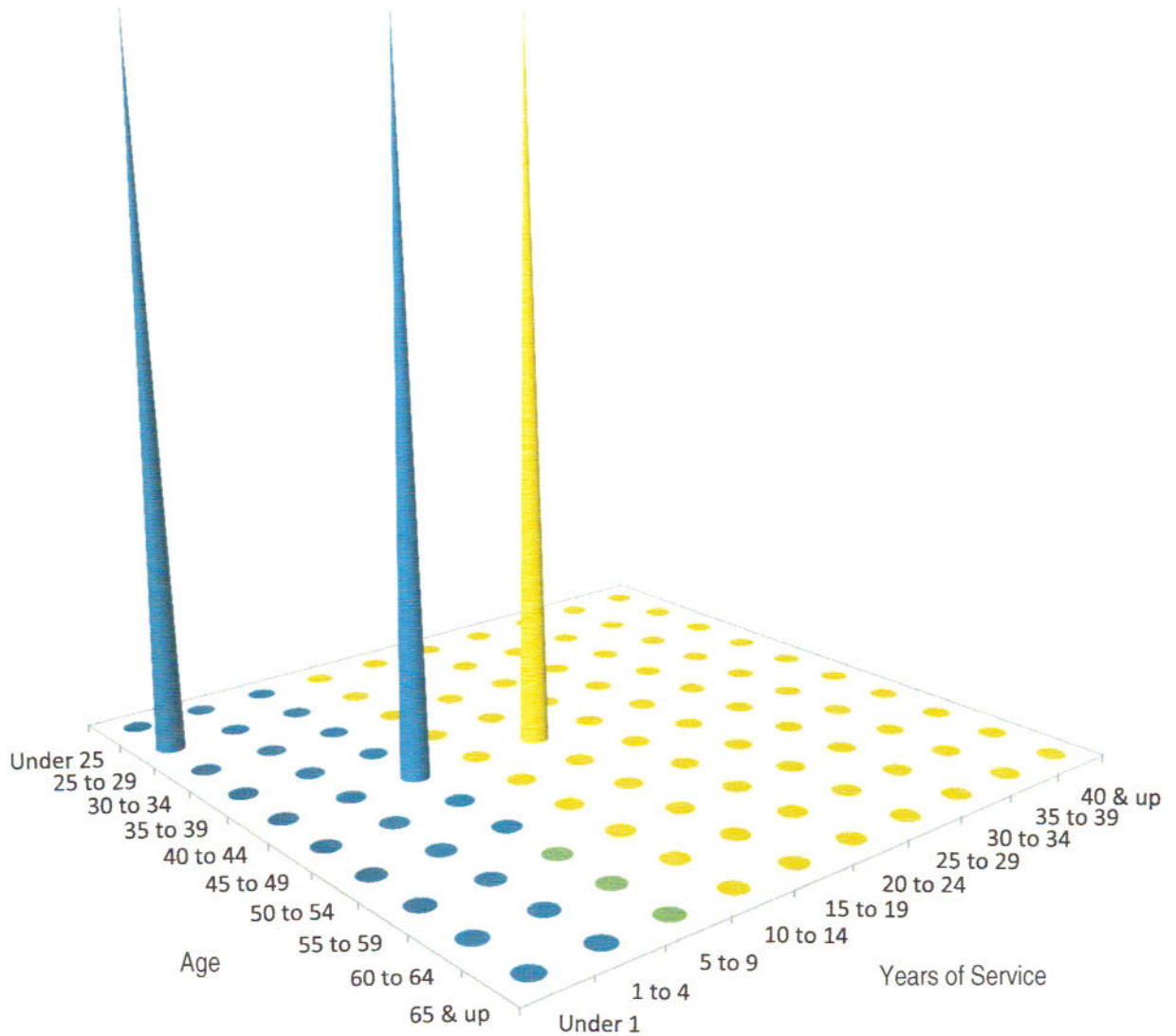
Active Participant Statistics From Prior Valuations

	<i>Average Age</i>	<i>Average Service</i>	<i>Average Salary</i>	<i>Average Expected Salary Increase</i>	<i>Average Actual Salary Increase</i>
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%
October 1, 2015	36.3	8.0	\$38,423	4.00%	9.89%



# Active Age-Service Distribution

Table III-D





Active Age-Service-Salary Table

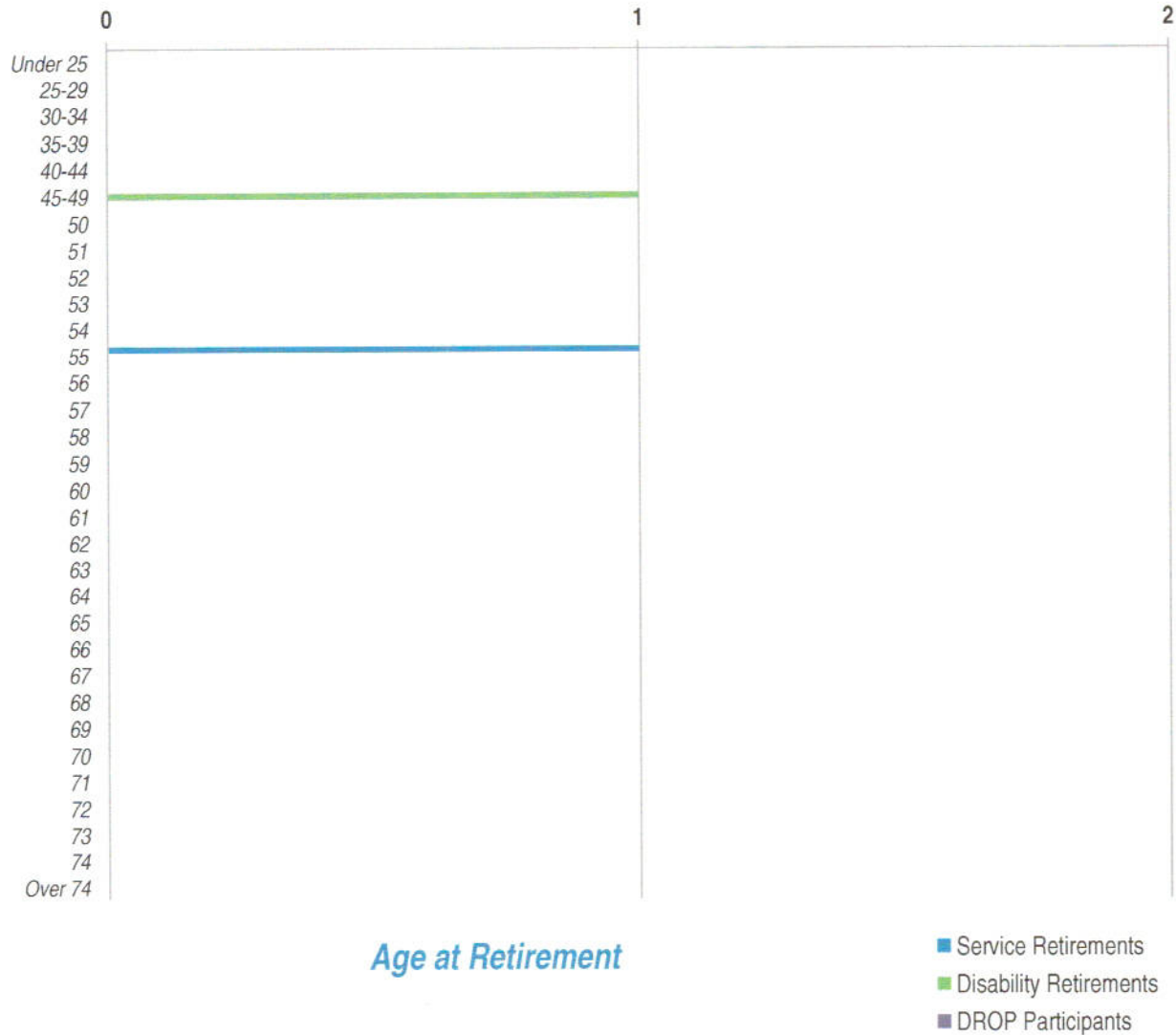
Table III-E

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	30,556	0	0	0	0	0	0	0	0	0	30,556
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	39,076	0	45,636	0	0	0	0	0	42,356
45 to 49	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
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
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
Avg. Pay	30,556	0	39,076	0	45,636	0	0	0	0	0	38,423



# Inactive Participant Data

Table III-F



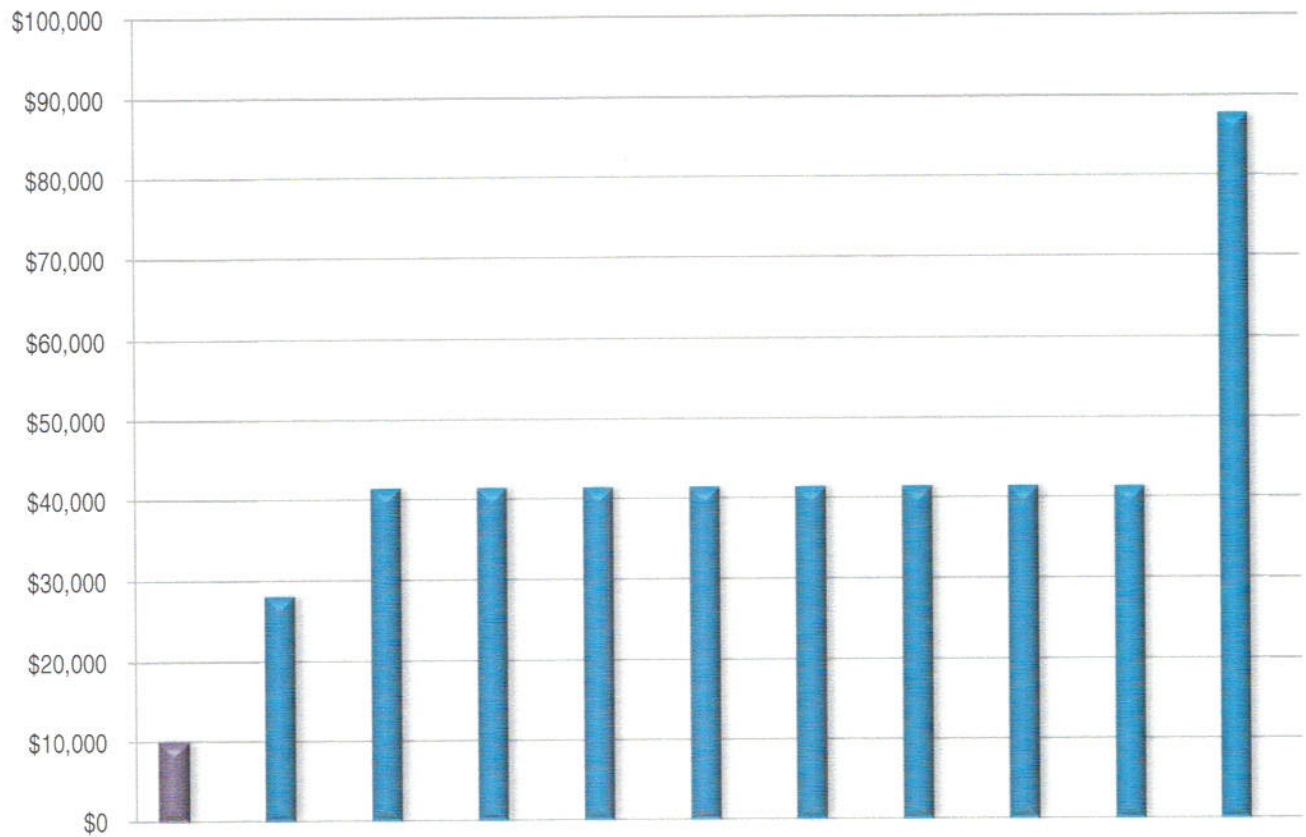
## Average Monthly Benefit

Service Retirements	\$1,002.20
Disability Retirements	\$1,333.83
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	\$1,122.35
Deferred Beneficiaries	Not applicable



## Projected Benefit Payments

Table III-G

Actual

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

\$10,022

Projected

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

\$28,171

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

\$41,480

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

\$41,470

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

\$41,461

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

\$41,454

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

\$41,446

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

\$41,436

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

\$41,427

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

\$41,417

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

\$87,837





## Summary of Actuarial Methods and Assumptions

Table IV-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**

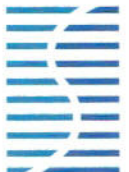
7.00% per annum

**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 IV-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 IV-B

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





## Summary of Plan Provisions

## Table V-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 66<sup>2</sup>/<sub>3</sub>% 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 V-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 V-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 V-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**

7.00% 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 V-B

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

