



nyhart
part of FuturePlan by Ascensus*

Town of Cumberland, RI Police Retirement Plan

June 30, 2020

GASB Nos. 67 & 68 Report

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This report is prepared in accordance with our understanding of GASB Nos. 67 & 68 for the purpose of disclosing pension plans in financial statements. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report.

The information presented in this report is based on:

- the actuarial assumptions included in this report;
- the plan provisions;
- participant information furnished to us by the Plan Administrator;
- asset information furnished to us by the Plan Trustee.

We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we may have made assumptions we believe are reasonable for the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report.

The interest rate, other economic assumptions, and demographic assumptions have been selected by the plan sponsor with our recommendations. The assumptions used, in our opinion, are reasonable and represent a reasonable expectation of future experience under the plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

A summary of any assumptions not included in this report, the plan provisions and the participant information is included in the Actuarial Valuation Report for funding purposes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

To our knowledge there have been no significant events prior to the current year's measurement date or as of the date of this report which could materially affect the results contained herein.

Neither Nyhart nor any of its employees have any relationships with the plan or plan sponsor which could impair or appear to impair the objectivity of this report.

Nyhart



Scott Gavin, FSA, EA, MAAA



Lawrence Watts, Jr., FSA, CFA, EA, MAAA

12/9/2020

Net Pension Liability

The components of the net pension liability at June 30

	06/30/2020	06/30/2019
Total pension liability	\$ 39,626,754	\$ 38,452,300
Plan fiduciary net position	(21,392,362)	(19,750,027)
Net pension liability	\$ 18,234,392	\$ 18,702,273
Plan fiduciary net position as a percent of the total pension liability	53.98%	51.36%
Pension Expense for the Fiscal Year Ended June 30	\$ 2,097,910	\$ 2,172,186

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions

Inflation	2.00%	2.00%
Salary increases, including inflation	Age-Graded	Age-Graded
Investment rate of return, including inflation, and net of investment expense	7.25%	7.25%

Plan Membership

The total pension liability was determined based on the plan membership as of July 1

	2019	2018
Inactive plan members and beneficiaries currently receiving benefits	72	70
Inactive plan members entitled to but not yet receiving benefits	1	1
Active plan members	43	44
Total members	116	115

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 Statement of Fiduciary Net Position

Assets	06/30/2020	06/30/2019
Cash and deposits	\$ 1,519,108	\$ 391,873
Securities lending cash collateral	0	0
Total cash	\$ 1,519,108	\$ 391,873
Receivables:		
Contributions	\$ 0	\$ 0
Due from broker for investments sold	0	0
Investment income	0	0
Other	0	0
Total receivables	\$ 0	\$ 0
Investments:		
Domestic Fixed Income	\$ 7,059,765	\$ 7,074,475
Domestic Equity	12,023,189	11,229,528
International Equity	791,944	930,155
Real Estate	0	125,640
Total investments	\$ 19,874,898	\$ 19,359,798
Total assets	\$ 21,394,006	\$ 19,751,671
 Liabilities		
Payables:		
Investment management fees	\$ 0	\$ 0
Due to broker for investments purchased	0	0
Collateral payable for securities lending	0	0
Other	1,644	1,644
Total liabilities	\$ 1,644	\$ 1,644
 Net position restricted for pensions	\$ 21,392,362	\$ 19,750,027

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Statement of Changes in Fiduciary Net Position

	06/30/2020	06/30/2019
Additions		
Contributions:		
Employer	\$ 2,420,000	\$ 2,263,350
Member	278,185	273,795
Nonemployer contributing entity	0	0
Total contributions	\$ 2,698,185	\$ 2,537,145
Investment income:		
Net increase in fair value of investments	\$ 666,688	\$ 1,324,641
Interest and dividends	483,007	468,076
Less investment expense, other than from securities lending	(76,816)	(73,988)
Net income other than from securities lending	\$ 1,072,879	\$ 1,718,729
Securities lending income	0	0
Less securities lending expense	0	0
Net income from securities lending	\$ 0	\$ 0
Net investment income	\$ 1,072,879	\$ 1,718,729
Other	0	0
Total additions	\$ 3,771,064	\$ 4,255,874
Deductions		
Benefit payments, including refunds of member contributions	\$ 2,097,379	\$ 1,996,466
Administrative expense	31,350	29,210
Other	0	0
Total deductions	\$ 2,128,729	\$ 2,025,676
Net increase in net position	\$ 1,642,335	\$ 2,230,198
Net position restricted for pensions		
Beginning of year	19,750,027	17,519,829
End of year	\$ 21,392,362	\$ 19,750,027

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Schedule of Changes in Net Pension Liability and Related Ratios

	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2018</u>	<u>06/30/2017</u>	<u>06/30/2016</u>
Total pension liability					
Service cost	\$ 747,928	\$ 682,675	\$ 654,232	\$ 610,341	\$ 658,427
Interest	2,765,987	2,664,203	2,570,757	2,483,550	2,395,416
Changes of benefit terms	0	81,505	0	0	0
Differences between expected and actual experience	(117,189)	129,230	(1,966)	150,892	150,365
Changes of assumptions	(124,893)	1,052,884	(47,482)	(196,402)	(99,400)
Benefit payments, including refunds of member contributions	(2,097,379)	(1,996,466)	(1,919,613)	(1,939,389)	(1,823,825)
Net change in total pension liability	<u>1,174,454</u>	<u>2,614,031</u>	<u>1,255,928</u>	<u>1,108,992</u>	<u>1,280,983</u>
Total pension liability - beginning	<u>38,452,300</u>	<u>35,838,269</u>	<u>34,582,341</u>	<u>33,473,349</u>	<u>32,192,366</u>
Total pension liability - ending (a)	\$ 39,626,754	\$ 38,452,300	\$ 35,838,269	\$ 34,582,341	\$ 33,473,349
Plan fiduciary net position					
Contributions - employer	\$ 2,420,000	\$ 2,263,350	\$ 2,218,887	\$ 2,182,000	\$ 2,112,000
Contributions - member	278,185	273,795	251,263	245,844	232,349
Contributions - nonemployer contributing member	0	0	0	0	0
Net investment income	1,072,879	1,718,729	1,181,086	1,383,038	205,192
Benefit payments, including refunds of member contributions	(2,097,379)	(1,996,466)	(1,919,613)	(1,939,389)	(1,823,825)
Administrative expenses	(31,350)	(29,210)	(55,035)	(17,150)	(11,346)
Other	0	0	0	0	0
Net change in plan fiduciary net position	<u>\$ 1,642,335</u>	<u>\$ 2,230,198</u>	<u>\$ 1,676,588</u>	<u>\$ 1,854,343</u>	<u>\$ 714,370</u>
Plan fiduciary net position - beginning	<u>19,750,027</u>	<u>17,519,829</u>	<u>15,843,241</u>	<u>13,988,898</u>	<u>13,274,528</u>
Plan fiduciary net position - ending (b)	\$ 21,392,362	\$ 19,750,027	\$ 17,519,829	\$ 15,843,241	\$ 13,988,898
Net pension liability - ending (a) - (b)	\$ 18,234,392	\$ 18,702,273	\$ 18,318,440	\$ 18,739,100	\$ 19,484,451
Plan fiduciary net position as a percentage of the total pension liability	53.98%	51.36%	48.89%	45.81%	41.79%
Covered-employee payroll	\$ 3,053,587	\$ 2,994,240	\$ 2,817,547	\$ 2,805,661	\$ 2,966,003
Net pension liability as percentage of covered-employee payroll	597.15%	624.61%	650.16%	667.90%	656.93%

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 Schedule of Changes in Net Pension Liability and Related Ratios

	06/30/2015	06/30/2014
Total pension liability		
Service cost	\$ 603,593	\$ 625,409
Interest	2,307,553	2,203,726
Changes of benefit terms	0	0
Differences between expected and actual experience	0	287,596
Changes of assumptions	0	0
Benefit payments, including refunds of member contributions	(1,765,110)	(1,656,011)
Net change in total pension liability	1,146,036	1,460,720
Total pension liability - beginning	31,046,330	29,585,610
Total pension liability - ending (a)	\$ 32,192,366	\$ 31,046,330
Plan fiduciary net position		
Contributions - employer	\$ 1,997,828	\$ 2,064,871
Contributions - member	260,793	185,877
Contributions - nonemployer contributing member	0	0
Net investment income	605,991	1,320,781
Benefit payments, including refunds of member contributions	(1,765,110)	(1,656,011)
Administrative expenses	(39,406)	(9,955)
Other	0	0
Net change in plan fiduciary net position	\$ 1,060,096	\$ 1,905,563
Plan fiduciary net position - beginning	12,214,432	10,308,869
Plan fiduciary net position - ending (b)	\$ 13,274,528	\$ 12,214,432
Net pension liability - ending (a) - (b)	\$ \$18,917,838	\$ \$18,831,898
Plan fiduciary net position as a percentage of the total pension liability	41.24%	39.34%
Covered-employee payroll	\$ 2,686,120	\$ 2,633,451
Net pension liability as percentage of covered-employee payroll	704.28%	715.10%

Fiscal year ending	06/30/2020	06/30/2019
Service cost	\$ 747,928	\$ 682,675
Interest on total pension liability	2,765,987	2,664,203
Projected earnings on pension plan investments	(1,452,520)	(1,333,167)
Changes of benefit terms	0	81,505
Employee contributions	(278,185)	(273,795)
Pension plan administrative expense	31,350	29,210
Other changes	0	0
Current period recognition of deferred outflows/(inflows) of resources		
Differences between Expected & Actual Experience in measurement of the Total Pension Liability	\$ 57,237	\$ 80,675
Changes of assumptions	123,488	148,467
Differences between Projected & Actual Earnings on Pension Plan Investments	102,625	92,413
Total	\$ 2,097,910	\$ 2,172,186

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

Differences between expected and actual experience in measurement of the total pension liability for fiscal year ending:	Initial Balance	Initial Amortization Period	Annual Recognition	06/30/2020 Balance
June 30, 2020	\$ (117,189)	5.0	\$ (23,438)	\$ (93,751)
June 30, 2019	\$ 129,230	5.0	\$ 25,846	\$ 77,538
June 30, 2018	\$ (1,966)	5.0	\$ (393)	\$ (787)
June 30, 2017	\$ 150,892	6.0	\$ 25,149	\$ 50,296
June 30, 2016	\$ 150,365	5.0	\$ 30,073	\$ 0
			\$ 57,237	\$ 33,296

Changes in assumptions for fiscal year ending:	Initial Balance	Initial Amortization Period	Annual Recognition	06/30/2020 Balance
June 30, 2020	\$ (124,893)	5.0	\$ (24,979)	\$ (99,914)
June 30, 2019	\$ 1,052,884	5.0	\$ 210,577	\$ 631,730
June 30, 2018	\$ (47,482)	5.0	\$ (9,496)	\$ (18,994)
June 30, 2017	\$ (196,402)	6.0	\$ (32,734)	\$ (65,466)
June 30, 2016	\$ (99,400)	5.0	\$ (19,880)	\$ 0
			\$ 123,488	\$ 447,356

Differences between projected and actual earnings on pension plan investments for fiscal year ending:	Initial Balance	Initial Amortization Period	Annual Recognition	06/30/2020 Balance
June 30, 2020	\$ 379,641	5.0	\$ 75,928	\$ 303,713
June 30, 2019	\$ (385,562)	5.0	\$ (77,112)	\$ (231,338)
June 30, 2018	\$ 25,738	5.0	\$ 5,148	\$ 10,294
June 30, 2017	\$ (316,197)	5.0	\$ (63,239)	\$ (63,241)
June 30, 2016	\$ 809,492	5.0	\$ 161,900	\$ 0
			\$ 102,625	\$ 19,428

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 127,834	\$ (94,538)
Changes of Assumptions	\$ 631,730	\$ (184,374)
Net difference between projected and actual earnings on pension plan investments	\$ 314,007	\$ (294,579)
	\$ 1,073,571	\$ (573,491)

The balances as of June 30, 2020 of the deferred outflows/(inflows) of resources will be recognized in pension expense for the fiscal year ending June 30.

6/30/2021	\$ 111,255
6/30/2022	\$ 174,491
6/30/2023	\$ 186,819
6/30/2024	\$ 27,515
6/30/2025	\$ 0
Thereafter	\$ 0

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic Fixed Income	38.0%	2.00%
Domestic Equity	50.0%	7.25%
International Equity	10.0%	7.75%
Cash	2.0%	0.25%
Total	100.0%	

Long-term expected rate of return is 7.25%.

Discount rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 23,450,718	\$ 18,234,392	\$ 13,967,930

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 Schedule of Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 2,417,279	\$ 2,256,529	\$ 2,168,246	\$ 2,138,355	\$ 2,110,186
Contributions in relation to the actuarially determined contribution	2,420,000	2,263,350	2,218,887	2,182,000	2,112,000
Contribution deficiency (excess)	\$ (2,721)	\$ (6,821)	\$ (50,641)	\$ (43,645)	\$ (1,814)
Covered-employee payroll	\$ 3,053,587	\$ 2,994,240	\$ 2,817,547	\$ 2,805,661	\$ 2,966,003
Contributions as a percentage of covered-employee payroll	79.25%	75.59%	78.75%	77.77%	71.21%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 1,997,828	\$ 1,980,631	\$ 1,986,232	\$ 1,650,489	\$ 1,507,130
Contributions in relation to the actuarially determined contribution	1,997,828	2,064,871	1,650,000	1,400,000	1,000,000
Contribution deficiency (excess)	\$ 0	\$ (84,240)	\$ 336,232	\$ 250,489	\$ 507,130
Covered-employee payroll	\$ 2,686,120	\$ 2,633,451	\$ 2,651,185	\$ 2,511,260	\$ 2,538,594
Contributions as a percentage of covered-employee payroll	74.38%	78.41%	62.24%	55.75%	39.39%

VALUATION ASSUMPTIONS FOR GASB 67 & 68

Because this plan is a long-term arrangement, we have chosen assumptions and methods consistent with a long term view. Short term deviations from actuarial assumptions (i.e., actuarial gains or losses) are inevitable. The actuarial cost method chosen provides a technique for adjusting the level of plan funding to compensate for such gains and losses after the plan year in which they occur.

Valuation Date:	June 30, 2020	
Participant Information as of:	June 30, 2019	
Asset Information as of:	June 30, 2020	
Measurement Date:	June 30, 2020	
Interest Rate (CO):	7.25%. This assumption was evaluated as part of the experience study report dated March 30, 2018 and is set by the plan sponsor.	
Long Term Rate of Return (CO):	7.25%. This assumption was evaluated as part of the experience study report dated March 30, 2018 and is set by the plan sponsor.	
Municipal Bond Rate	N/A	
Inflation (FE):	2.0%. This assumption was set by the investment advisor.	
Salary Projection Scale (FE):	Age	Increase
	<25	6.0%
	25-29	6.0%
	30-34	5.5%
	35-39	5.0%
	40-44	4.0%
	45-49	3.0%
	50-54	2.0%
	55-59	1.0%
	60+	1.0%

The assumed retirement rates are based on a study of actual experience for the plan during July 1, 2009 - July 1, 2017 and are based on a combination of plan experience and expectation based upon current plan provisions. See the experience study report dated March 30, 2018.

Mortality (FE):

Healthy

RP-2014 Blue Collar Mortality with fully generational improvements from 2006 based on assumptions from the 2019 Social Security Administration Trustees Report

Disabled

1985 Pension Disability Table. All Disability is assumed to be duty-related.

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.

Funding method:

Liabilities and contributions in the report are based on application of an Entry Age Normal cost method.

In determining the Actuarial Recommended Contribution, the excess of the entry age actuarial accrued liability over the actuarial value of plan assets is amortized over a closed 20-year period as a level percentage of pay. For this purpose, pay is assumed to grow at 3.5% annually.

Asset Valuation Method:

Fair market value of assets adjusted for a 5-year phase-in of gains and losses on fair market value

Experience Study:

The most recent experience study was completed in March 2018 taking into account eight years of data experience.

All Other Assumptions:

As described in the assumptions section of the actuarially determined contribution.

Changes Since Prior Report:

The scale applied to the table for generational mortality improvement has been updated from a scale based on assumptions disclosed in the 2018 Social Security Trustees Report to a scale based on assumptions disclosed in the 2019 Social Security Trustees Report. The base mortality table is unchanged. This change resulted in a decrease in overall liability.

VALUATION ASSUMPTIONS FOR ACTUARIALLY DETERMINED CONTRIBUTION

Because this plan is a long-term arrangement, we have chosen assumptions and methods consistent with a long term view. Short term deviations from actuarial assumptions (i.e., actuarial gains or losses) are inevitable. The actuarial cost method chosen provides a technique for adjusting the level of plan funding to compensate for such gains and losses after the plan year in which they occur.

Valuation Date: July 1, 2019

Participant Information as of: July 1, 2019

Retirement Rates (FE):

Police hired on or before 7/1/2013	70% retirement at the completion of 20 years of service 10% retirement at the completion of 21 - 24 years of service 70% retirement at the completion of 25 years of service 10% retirement at the completion of 26 - 29 years of service 100% retirement at the completion of 30 years of service
Police hired after 7/1/2013	100% retirement at the completion of 25 years of service and attainment of age 55

The assumed retirement rates are based on a study of actual experience for the plan during July 1, 2009 - July 1, 2017 and are based on a combination of plan experience and expectation based upon current plan provisions. See the experience study report dated March 30, 2018.

Disability Rates (FE): 1985 Pension Disability Table. All Disability is assumed to be duty-related.

As the plan is not large enough to have credible experience, disability rates are set to reflect general population trends.

Mortality (FE):

Healthy	RP-2014 Blue Collar Mortality with fully generational improvements from 2006 based on assumptions from the 2018 Social Security Administration Trustees Report
Disabled	RP-2014 Blue Collar Mortality with fully generational improvements from 2006 based on assumptions from the 2018 Social Security Administration Trustees Report

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.

Withdrawal (FE): None.

Salary Projection Scale (FE):	Age	Increase
	<25	6.0%
	25-29	6.0%
	30-34	5.5%
	35-39	5.0%
	40-44	4.0%
	45-49	3.0%
	50-54	2.0%
	55-59	1.0%
	60+	1.0%

The salary projection scale is based on a study of actual experience for the plan during July 1, 2009 - July 1, 2017 and is based on a combination of plan experience and the scales outlined in the collective bargaining agreement. See the experience study report dated March 30, 2018.

Interest Rate (CO): 7.25%. This assumption was evaluated as part of the experience study report dated March 30, 2018 and is set by the plan sponsor.

Expense and/or Contingency Loading (FE): None

Marital Status and Ages (FE): 100% of Participants assumed to be married with wives assumed to be 4 years younger than husbands.

Funding method: Liabilities and contributions in the report are based on application of an Entry Age Normal cost method.

In determining the Actuarially Recommended Contribution, the excess of the entry age actuarial accrued liability over the actuarial value of plan assets is amortized over a closed 20-year period.

Asset Valuation Method: Market value of assets with a five year phase in of gains and losses.

Amortization Method: Closed 20-year amortization with layered bases of the Unfunded Actuarial Accrued Liability; for this purpose, payroll is assumed to grow at 3.50% annually

FE indicates an assumption representing an estimate of future experience
 MD indicates an assumption representing observations of estimates inherent in market data
 CO indicates an assumption representing a combination of an estimate of future experience and observations of market data

SUMMARY OF PLAN PROVISIONS

Plan Effective Date:

The plan was originally effective July 1, 1958. It was amended and restated April 6, 2016.

Eligibility for Participation:

All full-time Police Officers are eligible to participate in this Plan.

Normal Retirement Benefit:

Police (hired on or before July 1, 2013)

Eligibility: Completion of 20 years of service regardless of age

Benefit: For credited service prior to 7/1/2013, 2.75% of average annual earnings for the first 20 years plus 1.00% for the next 5 years. For credited service after 7/1/2013, 2.50% of average annual earnings for the first 20 years plus 1.00% for the next 10 years. The maximum retirement benefit is 60% of average annual earnings.

Police (hired after July 1, 2013)

Eligibility: Attainment of age 55 and completion of 25 years of service

Benefit: 2.00% of average annual earnings for each year of credited service up to 30 total years

Average Annual Earnings:

Police (hired on or before July 1, 2013)

Average of final 36 months of base salary, overtime pay, holiday pay, shift differential pay, longevity pay, and accreditation pay

Police (hired after July 1, 2013)

Average of final 5 years of base salary, holiday pay, and longevity pay

Credited Service:

Full years and completed months from date of participation.

Pre-Retirement Death Benefit:

If an inactive officer dies after 15 years of service and while married, the spouse will receive a monthly pension equal to the amount which would be payable if the Officer had retired with a 67.5% Joint & Survivor Annuity.

For those with less than 15 years of service, the beneficiary will receive a refund of the member's contributions with 5% interest.

Post-Retirement Death Benefit:

A spouse's pension equal to 67.5% of the participant's pension is payable until the earlier of the spouse's death or remarriage, or to surviving dependent children under age 18.

Disability Retirement Benefit:

Duty Related 66.67% of Average Compensation

Non Duty Related Completed 12 - 18 years of service. Accrued benefit is subject to reduction as follow: At 12 years - 60%, increase by 5% for each year up to 17 years, 100% at 18 years.

Termination Benefit:

If an officer terminates employment after 15 years of service, the officer will receive 35% of base annual pay deferred until the date at which the officer would've reached their 20th year of service.

Vesting:

Police (hired on or before July 1, 2013) 100% on completing 15 years of service

Police (hired after July 1, 2013) 100% on completing 25 years of service

Employee Contributions:

Police (hired on or before July 1, 2013) 8% of annual earnings effective 7/1/2013. No interest is accrued.

Police (hired after July 1, 2013) 11% of annual earnings effective 7/1/2013. No interest is accrued.

Normal form of payment:

The normal form of payment for a married participant is a monthly benefit payable for the participant's lifetime with 67.5% of such benefit continuing to a surviving spouse. The normal form of payment for an unmarried participant is a monthly benefit payable for the participant's lifetime with no further payments after the participant's death.

Cost of Living Increases:

3.00% non-compounded from age 57 for retirement on or after July 1, 1992
No COLA for retirement before July 1, 1992

Actuarial Equivalence

Calculated according to the UP-1984 mortality table at 7.0% interest.

Plan Provisions Not Included

We are not aware of any plan provisions not included in the report.

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report.