



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN**  
ANNUAL ACTUARIAL VALUATION REPORT DECEMBER 31, 2014  
LAPEER CO (4403)



Spring, 2015

Lapeer Co

In care of:  
Municipal Employees' Retirement System of Michigan  
1134 Municipal Way  
Lansing, Michigan 48917

This report presents the results of the Annual Actuarial Valuation, prepared as of December 31, 2014. The report includes the determination of liabilities and contribution rates resulting from the participation of Lapeer Co (4403) in the Municipal Employees' Retirement System of Michigan ("MERS"). MERS is a nonprofit organization, independent from the State, that has provided retirement plans for municipal employees for more than 65 years. Lapeer Co is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees under the Michigan Constitution and the MERS Plan Document.

The purpose of the December 31, 2014 annual actuarial valuation is to:

- Measure funding progress
- Establish contribution requirements for the fiscal year beginning January 1, 2016
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements

This valuation report should not be relied upon for any other purpose. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

The valuation uses financial data, plan provision data, and participant data as of December 31, 2014 furnished by MERS. In accordance with Actuarial Standards of Practice No. 23, the data was checked for internal and year to year consistency as well as general reasonableness, but was not otherwise audited. CBIZ Retirement Plan Services does not assume responsibility for the accuracy or completeness of the data used in this valuation.

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study, which will be completed in 2015. Please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:

[www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2014AnnualActuarialValuation-Appendix.pdf](http://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2014AnnualActuarialValuation-Appendix.pdf).



The actuarial assumptions used for this valuation produce results that we believe are reasonable.

To the best of our knowledge, this report is complete and accurate, was prepared in conformity with generally recognized actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and is in compliance with Act No. 220 of the Public Acts of 1996, as amended, and the MERS Plan Document as revised. All of the undersigned are members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

This information is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting or investment advice.

**This report was prepared at the request of the Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). CBIZ Retirement Plan Services is not responsible for the consequences of any unauthorized use.**

You should notify MERS if you disagree with anything contained in the report or are aware of any information that would affect the results of the report that have not been communicated to us. If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS(6377).

Sincerely,

Alan Sonnanstine, MAAA, ASA  
Cathy Nagy, MAAA, FSA  
Jim Koss, MAAA, ASA

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## Executive Summary

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### Funded Ratio and Required Employer Contributions

The MERS Defined Benefit Plan is an agent multiple-employer plan, meaning that assets are pooled for investment purposes but separate trusts are maintained for each individual employer. Each municipality is responsible for their own plan liabilities; MERS does not borrow from one municipality's account to pay for another.

The funded ratio of a plan is the percentage of the dollar value of the accrued benefits that is covered by the actuarial value of assets.

#### Your Funded Ratio:

	12/31/2014	12/31/2013
<b>Funded Ratio</b>	88%	89%

Michigan Law requires that pension plans be pre-funded, meaning money is set aside now to pay for future benefits. Pension plans are usually funded by employer and employee contributions, and investment income.

How quickly a plan attains the 100% funding goal depends on many factors such as:

- The current funded ratio
- The future experience of the plan
- The amortization period

It is more important to look at the trend in the funded ratio over a period of time than at a particular point in time.

**Your Required Employer Contributions:**

Your minimum required employer contributions are shown in the following table. Employee contributions, if any, are in addition to the required employer contributions.

Valuation Date:	Percentage of Payroll		Monthly \$ Based on Valuation Payroll	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Fiscal Year Beginning:	January 1, 2016	January 1, 2015	January 1, 2016	January 1, 2015
<b>Division</b>				
02 - POLC Sheriff	14.75%	13.43%	\$ 46,363	\$ 40,553
04 - S.T.A.R.S.	7.79%	7.89%	46,982	47,105
06 - CMH Union	8.95%	8.72%	19,770	17,166
10 - AFSCME	9.05%	10.44%	9,760	10,475
11 - Gnrl Non Union	8.86%	7.19%	15,819	12,493
12 - Gnrl Teamsters	8.60%	9.15%	18,048	18,462
13 - Elected & Appt. Dept H	7.81%	7.20%	7,091	6,356
20 - COAM/POAM Disp	11.45%	11.84%	5,908	7,045
40 - MCF Non Union	15.79%	14.46%	60,271	54,928
60 - CMH Non Union	8.62%	9.12%	5,183	4,856
<b>Municipality Total</b>			<b>\$ 235,195</b>	<b>\$ 219,439</b>

Employee contribution rates reflected in the valuations are shown below:

Valuation Date:	Employee Contribution Rate	
	12/31/2014	12/31/2013
<b>Division</b>		
02 - POLC Sheriff	2.49%	2.49%
04 - S.T.A.R.S.	1.27%	1.27%
06 - CMH Union	0.00%	0.00%
10 - AFSCME	0.00%	0.00%
11 - Gnrl Non Union	0.00%	0.00%
12 - Gnrl Teamsters	0.00%	0.00%
13 - Elected & Appt. Dept H	2.53%	2.53%
20 - COAM/POAM Disp	0.00%	0.00%
40 - MCF Non Union	0.00%	0.00%
60 - CMH Non Union	0.00%	0.00%

For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate.

You may contribute more than the minimum required contributions, as these additional contributions will earn investment income, and later you may have to contribute less than otherwise. **MERS strongly encourages employers to contribute more than the minimum contribution shown above.**

Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the entire employer would be \$ 292,293, instead of \$ 235,195.
- To accelerate to a 100% funding ratio in 20 years, estimated monthly employer contributions for the entire employer would be \$ 243,163, instead of \$ 235,195.

If you are interested in making additional contributions, please contact MERS and they can assist you with evaluating your options.

### How and Why Do These Numbers Change?

In a defined benefit plan contributions vary from one annual actuarial valuation to the next as a result of the following:

- Changes in benefit provisions (see Table 2)
- Changes in actuarial assumptions and methods (see the [Appendix](#))
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions

Actuarial valuations do not affect the ultimate cost of the plan; the benefit payments (current and future) determine the cost of the plan. Actuarial valuations only affect the timing of the contributions into the plan. Because assumptions are for the long term, plan experience will not match the actuarial assumptions in any given year (except by coincidence). Each annual actuarial valuation will adjust the required employer contributions up or down based on the prior year's actual experience.

### Comments on the Investment Markets

At this time, MERS maintains the 8% annual return assumption on investments in the belief that over the long-term this is achievable. For example, MERS' 30 year return was 9.17% on December 31, 2014. The MERS portfolio returned 6.49% in 2014; the two year (10.54%), three year (10.73%), four year (8.48%), and five year (9.59%) returns all exceed the 8% annual return assumption. When comparing these actual returns to the 8% net return assumption, deduct roughly .25% from these actual returns to reflect administrative expenses. It has now been seven years since the peak of the financial crisis and the stock market decline still weighs down MERS' medium term returns. This was a one in fifty year event comparable only to the Stock Market Crash of 1929 during the Great Depression. The stock market and economy have stabilized since 2008 and are on the long road to recovery. MERS regularly monitors the investment return assumption to make sure it is reasonable compared to long term expectations.

The actuarial value of assets, used to determine both your funded ratio and your required employer contribution, is based on a 10-year smoothed value of assets. Only a portion (seven-tenths, for 2008 through 2014) of the 2008 investment market losses was recognized in this actuarial valuation report.

This reduces the volatility of the valuation results, which affects your required employer contribution and funded ratio. The smoothed actuarial rate of return for 2014 was 5.90%.

As of December 31, 2014 the actuarial value of assets is 106% of market value. This means that meeting the actuarial assumption in the next few years will require average annual market returns that exceed the 8% investment return assumption.

If the December 31, 2014 valuation results were based on market value on that date instead of 10-year smoothed funding value: i) the funded percent of your entire municipality would be 83% (instead of 88%); and ii) your total employer contribution requirement for the fiscal year starting January 1, 2016 would be \$ 3,144,372 (instead of \$ 2,822,340).

The asset smoothing method is a powerful tool for reducing the volatility of your required employer contributions. **However, if the current 6% difference between the smoothed value and the market value of assets is not made up, the result would be gradual increases in your employer contribution requirement over the next few years (to around the levels described above).**

## Risk Characteristics of Defined Benefit Plans

It is important to understand that retirement plans, by their nature, are exposed to certain risks. While risks cannot be eliminated entirely, they can be mitigated through various strategies. Below are a few examples of risk (this is not an all-inclusive list):

- Economic - investment return, wage inflation, etc.
- Demographic - longevity, disability, retirement, etc.
- Plan Sponsor and Employees - contribution volatility, attract/retain employees, etc.

The MERS Retirement Board adopts certain assumptions and methods to mitigate the economic and demographic risks, and the contribution volatility risks. For example, the investment risk is the largest economic risk and is mitigated by having a balanced portfolio and a clearly defined investment strategy. Demographic risks vary based on the age of the workforce and are mitigated by preparing special studies called experience studies on a regular basis to determine if the assumptions used are reasonable compared to the experience. Risk may be mitigated through a plan design that provides benefits that are sustainable in the long run. An Experience Study is completed every five years to review the assumptions and methods. The next Experience Study will be completed in 2015.

## Alternate Scenarios to Estimate the Potential Volatility of Results ("What If Scenarios")

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

- Open divisions that have substantial assets compared to their active employee payroll will have more volatile employer contribution rates due to investment return fluctuations.
- Open divisions that have substantial accrued liability compared to their active employee payroll will have more volatile employer contribution rates due to demographic experience fluctuations.
- Small divisions will have more volatile contribution patterns than larger divisions because statistical fluctuations are relatively larger among small populations.
- Shorter amortization periods result in more volatile contribution patterns.

The analysis in this section is intended to review the potential volatility of the actuarial valuation results. It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size.

Many assumptions are important in determining the required employer contributions.

For example:

- Lower investment returns would result in higher required employer contributions, and vice-versa.
- Smaller than projected pay increases would lower required employer contributions.
- Reductions in the number of active employees would lower required contribution dollars, but would usually increase the contribution rate expressed as a percentage of (the now lower) payroll.
- Retirements at earlier ages than projected would usually increase required employer contributions.
- More non-vested terminations of employment than projected would decrease required contributions.
- More disabilities or survivor (death) benefits than projected would increase required contributions.
- Longer lifetimes after retirement than projected would increase required employer contributions.

In the table below, we show the impact of varying one actuarial assumption: the future annual rate of investment return. Lower investment returns would result in higher required employer contributions, and vice-versa.

The relative impact of each investment return scenario below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2014 valuation, and are for the municipality in total, not by division.

12/31/2014 Valuation Results	Assumed Future Annual Smoothed Rate of Investment Return			
	Lower Future Annual Returns		Valuation Assumption	Higher Returns
	6%	7%	8%	9%
Accrued Liability	\$ 128,751,549	\$ 114,116,267	\$ 101,824,866	\$ 91,441,381
Valuation Assets	\$ 89,811,826	\$ 89,811,826	\$ 89,811,826	\$ 89,811,826
Unfunded Accrued Liability	\$ 38,939,723	\$ 24,304,441	\$ 12,013,040	\$ 1,629,555
<b>Funded Ratio</b>	70%	79%	88%	98%
Monthly Normal Cost	\$ 297,124	\$ 227,693	\$ 174,994	\$ 134,576
Monthly Amortization Payment	\$ 168,164	\$ 115,203	\$ 60,201	\$ (15,359)
<b>Total Employer Contribution<sup>1</sup></b>	\$ 465,288	\$ 342,896	\$ 235,195	\$ 121,105

<sup>1</sup> If assets exceed accrued liabilities for a division, the division's amortization payment is negative and is used to reduce the division's employer contribution requirement. If the overfunding credit is larger than the normal cost, the division's full credit is included in the municipality's amortization payment above but the division's total contribution requirement is zero. This can cause the displayed normal cost and amortization payment to not add up to the displayed total employer contribution.

## Five Year Projection Scenarios

The following table illustrates the plan's projected liabilities and required employer contributions for the next five fiscal years, under three actuarial assumptions and future economic scenarios. All three scenarios take into account the 2008 financial losses that will continue to affect the smoothed rate of return for the next three years.

Valuation Year Ending 12/31	Fiscal Year Beginning 1/1	Actuarial Accrued Liability	Valuation Assets	Funded Percentage	Required Annual Employer Contribution <sup>1</sup>
<b>8% Assumed Interest Discount Rate and Future Annual Market Rate of Return</b>					
2014	2016	\$ 101,824,866	\$ 89,811,826	88%	\$ 2,965,140
2015	2017	107,180,000	93,100,000	87%	3,205,600
2016	2018	112,450,000	96,280,000	86%	3,485,100
2017	2019	117,950,000	98,810,000	84%	3,812,300
2018	2020	123,400,000	104,700,000	85%	3,931,000
<b>7% Assumed Interest Discount Rate and Future Annual Market Rate of Return</b>					
2014	2016	\$ 114,116,267	\$ 89,811,826	79%	\$ 4,322,976
2015	2017	119,960,000	93,060,000	78%	4,567,000
2016	2018	125,750,000	97,480,000	78%	4,844,000
2017	2019	131,680,000	101,680,000	77%	5,145,000
2018	2020	137,830,000	108,280,000	79%	5,315,000
<b>6% Assumed Interest Discount Rate and Future Annual Market Rate of Return</b>					
2014	2016	\$ 128,751,549	\$ 89,811,826	70%	\$ 5,865,996
2015	2017	135,190,000	92,920,000	69%	6,129,000
2016	2018	141,890,000	98,930,000	70%	6,427,000
2017	2019	148,330,000	104,810,000	71%	6,737,000
2018	2020	155,090,000	113,010,000	73%	6,944,000

<sup>1</sup> For an employer with any open divisions, this column will include the impact of projected increases in total payroll from 2014 to the applicable fiscal year. This will cause the projected contribution for the fiscal year beginning in 2016 to be higher than the Estimated Annual Contribution shown in Table 1.

The first scenario provides an estimate of required employer contributions based on current actuarial assumptions, and a projected 8% market return. The other scenarios may be useful if the municipality chooses to budget more conservatively, and make contributions in addition to the minimum requirements. The 7% and 6% projections provide an indication of the potential required employer contribution if MERS were to realize investment returns of 7% and 6% over the long-term.

## Employer Contribution Details For the Fiscal Year Beginning January 1, 2016

Table 1

Division	Amort. Period for Unfund. Liab. <sup>4,5</sup>	Employer Contributions <sup>1</sup>			Blended Employer Contribut. <sup>7</sup>	Employee Contribution Rate <sup>6</sup>	Employee Contribut. Conversion Factor <sup>2</sup>
		Normal Cost	Unfunded Accrued Liability	Total Required Employer Contribut.			
<b>Percentage of Payroll</b>							
02 - POLC Sheriff	24	8.00%	6.75%	14.75%		2.49%	0.83%
04 - S.T.A.R.S.	24	6.60%	1.19%	7.79%		1.27%	0.84%
06 - CMH Union	24	8.03%	0.92%	8.95%		0.00%	0.81%
10 - AFSCME	24	8.31%	0.74%	9.05%		0.00%	0.80%
11 - Gnrl Non Union	24	8.12%	0.74%	8.86%		0.00%	0.81%
12 - Gnrl Teamsters	24	7.83%	0.77%	8.60%		0.00%	0.80%
13 - Elected & Appt. De	24	7.96%	-0.15%	7.81%		2.53%	0.75%
20 - COAM/POAM Disp	24	8.93%	2.52%	11.45%		0.00%	0.86%
40 - MCF Non Union	24	9.41%	6.38%	15.79%		0.00%	0.80%
60 - CMH Non Union	24	7.75%	0.87%	8.62%		0.00%	0.75%
<b>Estimated Monthly Contribution<sup>3</sup></b>							
02 - POLC Sheriff	24	\$ 25,146	\$ 21,217	\$ 46,363			
04 - S.T.A.R.S.	24	39,805	7,177	46,982			
06 - CMH Union	24	17,738	2,032	19,770			
10 - AFSCME	24	8,962	798	9,760			
11 - Gnrl Non Union	24	14,498	1,321	15,819			
12 - Gnrl Teamsters	24	16,432	1,616	18,048			
13 - Elected & Appt. De	24	7,227	(136)	7,091			
20 - COAM/POAM Disp	24	4,608	1,300	5,908			
40 - MCF Non Union	24	35,918	24,353	60,271			
60 - CMH Non Union	24	4,660	523	5,183			
<b>Total Municipality</b>		<b>\$ 174,994</b>	<b>\$ 60,201</b>	<b>\$ 235,195</b>			
<b>Estimated Annual Contribution<sup>3</sup></b>		<b>\$ 2,099,928</b>	<b>\$ 722,412</b>	<b>\$ 2,822,340</b>			

<sup>1</sup> The above employer contribution requirements are in addition to the employee contributions, if any.

<sup>2</sup> If employee contributions are increased/decreased by 1.00% of pay, the employer contribution requirement will decrease/increase by the Employee Contribution Conversion Factor. The conversion factor is usually under 1%, because employee contributions may be refunded at termination of employment, and not used to fund retirement pensions. Employer contributions will all be used to fund pensions.

<sup>3</sup> For divisions that are open to new hires, estimated contributions are based on valuation payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts (usually higher). For divisions that will have no new hires, invoices will be based on the above dollar amounts which are based on projected fiscal year payroll. See description of Open Divisions and Closed Divisions in the [Appendix](#).

<sup>4</sup> If projected assets exceed projected liabilities as of the beginning of the January 1, 2016 fiscal year, the negative unfunded accrued liability is amortized (spread) over 10 years. This amortization is used to reduce the employer contribution rate. Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions to not add across.

<sup>5</sup> If the division is closed to new hires, with new hires not covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the amortization period will decrease as follows: Under Amortization Option A, the period will decrease by 2 years each valuation year, until it reaches 6 or 5 years. Then it decreases by 1 year each valuation year until the UAL is paid off. Under Amortization Option B, the period will decrease by 2 years each valuation year, until it reaches 16 or 15 years. Thereafter, the period will reduce by 1 year each valuation year, until the UAL is paid off. This will result in

amortization payments that increase faster than the usual 4.5% each year. If the division is closed to new hires, with new hires (and transfers) covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the standard open division amortization period will apply.

<sup>6</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate.

<sup>7</sup> For linked divisions, the employer will be invoiced the Total Required Employer Contribution rate shown above for each linked division (a contribution rate for the open division; a contribution dollar for the closed-but-linked division), unless the employer elects to contribute the Blended Employer Contribution rate shown above, by contacting MERS at 800-767-2308.

**Please see the Comments on the Investment Markets.**

## Benefit Provisions

Table 2

### 02 - POLC Sheriff: Open Division

	2014 Valuation	2013 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
<b>Early Retirement (Reduced):</b>	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	2.49%	2.49%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

### 04 - S.T.A.R.S.: Open Division

	2014 Valuation	2013 Valuation
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/25	55/25
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	1.27%	1.27%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

### 06 - CMH Union: Open Division

	2014 Valuation	2013 Valuation
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	-	-
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

Table 2 (continued)

<b>10 - AFSCME: Open Division</b>		
	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	-	-
<b>Early Retirement (Reduced):</b>	50/25 55/15	50/25 55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)
<b>11 - Gnrl Non Union: Open Division</b>		
	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	-	-
<b>Early Retirement (Reduced):</b>	50/25 55/15	50/25 55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)
<b>12 - Gnrl Teamsters: Open Division</b>		
	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	-	-
<b>Early Retirement (Reduced):</b>	50/25 55/15	50/25 55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)
<b>13 - Elected &amp; Appt. Dept Heads: Open Division</b>		
	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	-	-
<b>Early Retirement (Reduced):</b>	50/25 55/15	50/25 55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	2.53%	2.53%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

Table 2 (continued)

**20 - COAM/POAM Disp: Open Division**

	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
<b>Early Retirement (Reduced):</b>	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

**40 - MCF Non Union: Open Division**

	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/25	55/25
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

**60 - CMH Non Union: Open Division**

	<b>2014 Valuation</b>	<b>2013 Valuation</b>
<b>Benefit Multiplier:</b>	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	-	-
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 10/30/1970)	Yes (Adopted 10/30/1970)

## Participant Summary

**Table 3**

Division	2014 Valuation		2013 Valuation		2014 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
02 - POLC Sheriff							
Active Employees	73	\$ 3,771,938	73	\$ 3,623,507	44.0	13.7	14.0
Vested Former Employees	16	120,752	14	80,250	44.2	7.0	15.7
Retirees and Beneficiaries	50	1,152,207	46	1,048,266	65.5		
04 - S.T.A.R.S.							
Active Employees	288	\$ 7,237,326	301	\$ 7,164,177	36.2	5.6	5.7
Vested Former Employees	33	181,582	29	155,400	48.3	12.9	14.1
Retirees and Beneficiaries	69	491,669	68	455,773	71.0		
06 - CMH Union							
Active Employees	66	\$ 2,650,699	60	\$ 2,362,295	44.7	9.6	9.6
Vested Former Employees	10	63,025	10	63,085	54.0	8.9	13.0
Retirees and Beneficiaries	18	268,386	14	187,348	65.6		
10 - AFSCME							
Active Employees	36	\$ 1,294,086	35	\$ 1,204,007	51.3	13.6	13.7
Vested Former Employees	19	153,206	22	164,654	51.7	11.2	13.7
Retirees and Beneficiaries	40	375,185	39	371,989	68.6		
11 - Gnrl Non Union							
Active Employees	47	\$ 2,142,519	45	\$ 2,085,028	47.4	12.6	12.8
Vested Former Employees	12	177,884	11	157,559	51.4	14.4	15.5
Retirees and Beneficiaries	29	434,158	26	360,693	72.2		
12 - Gnrl Teamsters							
Active Employees	68	\$ 2,518,253	67	\$ 2,421,245	48.7	15.7	15.7
Vested Former Employees	10	106,855	12	127,416	46.4	12.9	14.4
Retirees and Beneficiaries	39	439,299	39	414,024	73.0		
13 - Elected & Appt. Dept							
Active Employees	23	\$ 1,089,442	23	\$ 1,059,325	60.1	19.0	21.1
Vested Former Employees	5	88,414	5	88,414	53.1	10.9	18.8
Retirees and Beneficiaries	19	339,318	20	343,337	74.4		
20 - COAM/POAM Disp							
Active Employees	13	\$ 619,208	16	\$ 714,011	46.4	14.2	14.7
Vested Former Employees	2	20,395	1	2,857	44.3	10.4	14.8
Retirees and Beneficiaries	3	63,504	2	48,957	60.6		
40 - MCF Non Union							
Active Employees	95	\$ 4,580,417	97	\$ 4,558,300	43.6	9.7	9.7
Vested Former Employees	13	152,345	14	155,697	52.3	11.0	12.1
Retirees and Beneficiaries	54	900,072	46	696,369	68.4		

**Table 3 (continued)**

Division	2014 Valuation		2013 Valuation		2014 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
60 - CMH Non Union							
Active Employees	12	\$ 721,577	11	\$ 638,867	49.5	15.4	15.4
Vested Former Employees	4	54,596	5	66,020	50.9	13.0	19.4
Retirees and Beneficiaries	6	140,590	5	130,401	70.8		
<b>Total Municipality</b>							
<b>Active Employees</b>	<b>721</b>	<b>\$ 26,625,465</b>	<b>728</b>	<b>\$ 25,830,762</b>	<b>42.6</b>	<b>9.9</b>	<b>10.0</b>
<b>Vested Former Employees</b>	<b>124</b>	<b>1,119,054</b>	<b>123</b>	<b>1,061,352</b>	<b>49.5</b>	<b>11.4</b>	<b>14.5</b>
<b>Retirees and Beneficiaries</b>	<b>327</b>	<b>4,604,388</b>	<b>305</b>	<b>4,057,157</b>	<b>69.6</b>		
<b>Total Participants</b>	<b>1172</b>		<b>1156</b>				

<sup>1</sup> Annual payroll for active employees; annual deferred benefits payable for vested former employees; annual benefits being paid for retirees and beneficiaries.

<sup>2</sup> Description can be found under Miscellaneous and Technical Assumptions in the [Appendix](#).

## Reported Assets (Market Value)

**Table 4**

Division	2014 Valuation		2013 Valuation	
	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>
02 - POLC Sheriff	\$ 16,039,157	\$ 1,258,846	\$ 15,555,644	\$ 1,235,280
04 - S.T.A.R.S.	9,192,109	350,334	8,694,533	303,611
06 - CMH Union	6,446,973	52,769	5,899,620	57,516
10 - AFSCME	6,847,090	46,000	6,271,282	61,616
11 - Gnrl Non Union	8,893,437	31,753	8,605,263	37,265
12 - Gnrl Teamsters	9,772,593	53,557	8,910,905	53,439
13 - Elected & Appt. Dept Heads	7,150,139	366,150	6,978,541	337,780
20 - COAM/POAM Disp	2,048,230	0	1,755,031	0
40 - MCF Non Union	12,907,323	78,475	12,132,835	85,377
60 - CMH Non Union	3,184,667	13,572	2,927,328	13,542
<b>Municipality Total</b>	<b>\$ 82,481,718</b>	<b>\$ 2,251,456</b>	<b>\$ 77,730,982</b>	<b>\$ 2,185,426</b>
<b>Combined Reserves</b>	<b>\$ 84,733,174</b>		<b>\$ 79,916,408</b>	

<sup>1</sup> Reserve for Employer Contributions and Benefit Payments

<sup>2</sup> Reserve for Employee Contributions

The December 31, 2014 valuation assets are equal to 1.059937 times the reported market value of assets (compared to 1.061840 as of December 31, 2013). The derivation of valuation assets is described, and detailed calculations of valuation assets are shown, in the [Appendix](#).

## Flow of Valuation Assets

**Table 5**

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2004	\$ 2,931,706		\$ 83,750	\$ 2,915,459	\$ (1,358,297)	\$ (10,950)	\$ (276,600)	\$ 44,605,818
2005	2,351,688		139,535	2,965,938	(1,635,943)	(1,110)	58,595	48,484,521
2006	4,689,470		233,928	4,031,129	(1,879,765)	(11,276)	0	55,548,007
2007	3,268,463		153,907	4,504,185	(2,144,291)	(8,522)	0	61,321,749
2008	2,820,446		121,929	2,983,475	(2,357,504)	(5,875)	0	64,884,220
2009	3,356,569		127,565	3,719,493	(2,592,458)	(7,466)	0	69,487,923
2010	2,701,704		120,400	4,108,154	(2,887,422)	(3,985)	0	73,526,774
2011	3,566,119	\$ 103,215	118,290	4,243,170	(3,227,971)	(18,286)	0	78,311,311
2012	2,482,412	0	118,808	3,720,946	(3,576,831)	(2,462)	11,703	81,065,887
2013	2,528,372	4,551	201,995	4,942,034	(3,871,478)	(12,924)	0	84,858,437
2014	2,590,936	1,456,298	213,190	5,008,867	(4,315,512)	(3,232)	2,842	89,811,826

**Notes:**

Transfers in and out are usually related to the transfer of participants between municipalities, and to employer and employee payments for service credit purchases (if any) that the governing body has approved.

Additional employer contributions, if any, are shown separately starting in 2011. Prior to 2011, additional contributions are combined with the required employer contributions.

In the actuarial valuation additional employer contributions are combined with required contributions and used to reduce computed future required employer contributions.

## Actuarial Accrued Liabilities and Valuation Assets As of December 31, 2014

Table 6

Division	Actuarial Accrued Liability	Valuation Assets <sup>1</sup>	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
02 - POLC Sheriff				
Active Employees	\$ 10,161,192	\$ 5,943,203	58.5%	\$ 4,217,989
Vested Former Employees	727,942	727,942	100.0%	0
Retirees And Beneficiaries	11,626,408	11,626,408	100.0%	0
Pending Refunds	<u>37,240</u>	<u>37,240</u>	100.0%	<u>0</u>
Total	<b>\$ 22,552,782</b>	<b>\$ 18,334,793</b>	<b>81.3%</b>	<b>\$ 4,217,989</b>
04 - S.T.A.R.S.				
Active Employees	\$ 6,196,942	\$ 4,742,432	76.5%	\$ 1,454,510
Vested Former Employees	1,091,103	1,091,103	100.0%	0
Retirees And Beneficiaries	4,214,344	4,214,344	100.0%	0
Pending Refunds	<u>66,509</u>	<u>66,509</u>	100.0%	<u>0</u>
Total	<b>\$ 11,568,898</b>	<b>\$ 10,114,388</b>	<b>87.4%</b>	<b>\$ 1,454,510</b>
06 - CMH Union				
Active Employees	\$ 4,177,031	\$ 3,773,186	90.3%	\$ 403,845
Vested Former Employees	451,254	451,254	100.0%	0
Retirees And Beneficiaries	2,658,297	2,658,297	100.0%	0
Pending Refunds	<u>6,580</u>	<u>6,580</u>	100.0%	<u>0</u>
Total	<b>\$ 7,293,162</b>	<b>\$ 6,889,317</b>	<b>94.5%</b>	<b>\$ 403,845</b>
10 - AFSCME				
Active Employees	\$ 3,217,407	\$ 3,038,571	94.4%	\$ 178,836
Vested Former Employees	930,172	930,172	100.0%	0
Retirees And Beneficiaries	3,329,453	3,329,453	100.0%	0
Pending Refunds	<u>8,045</u>	<u>8,045</u>	100.0%	<u>0</u>
Total	<b>\$ 7,485,077</b>	<b>\$ 7,306,241</b>	<b>97.6%</b>	<b>\$ 178,836</b>
11 - Gnrl Non Union				
Active Employees	\$ 4,593,257	\$ 4,363,163	95.0%	\$ 230,094
Vested Former Employees	1,048,374	1,048,374	100.0%	0
Retirees And Beneficiaries	4,047,888	4,047,888	100.0%	0
Pending Refunds	<u>714</u>	<u>714</u>	100.0%	<u>0</u>
Total	<b>\$ 9,690,233</b>	<b>\$ 9,460,139</b>	<b>97.6%</b>	<b>\$ 230,094</b>
12 - Gnrl Teamsters				
Active Employees	\$ 6,678,279	\$ 6,339,003	94.9%	\$ 339,276
Vested Former Employees	428,570	428,570	100.0%	0
Retirees And Beneficiaries	3,647,527	3,647,527	100.0%	0
Pending Refunds	<u>0</u>	<u>0</u>	0.0%	<u>0</u>
Total	<b>\$ 10,754,376</b>	<b>\$ 10,415,100</b>	<b>96.8%</b>	<b>\$ 339,276</b>

**Table 6 (continued)**

<b>Division</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets<sup>1</sup></b>	<b>Percent Funded</b>	<b>Unfunded (Overfunded) Accrued Liabilities</b>
<b>13 - Elected &amp; Appt. Dept Heads</b>				
Active Employees	\$ 4,288,508	\$ 4,310,023	100.5%	\$ (21,515)
Vested Former Employees	591,392	591,392	100.0%	0
Retirees And Beneficiaries	3,063,499	3,063,499	100.0%	0
Pending Refunds	<u>1,879</u>	<u>1,879</u>	100.0%	<u>0</u>
<b>Total</b>	<b>\$ 7,945,278</b>	<b>\$ 7,966,793</b>	<b>100.3%</b>	<b>\$ (21,515)</b>
<b>20 - COAM/POAM Disp</b>				
Active Employees	\$ 1,598,545	\$ 1,334,659	83.5%	\$ 263,886
Vested Former Employees	137,083	137,083	100.0%	0
Retirees And Beneficiaries	699,253	699,253	100.0%	0
Pending Refunds	<u>0</u>	<u>0</u>	0.0%	<u>0</u>
<b>Total</b>	<b>\$ 2,434,881</b>	<b>\$ 2,170,995</b>	<b>89.2%</b>	<b>\$ 263,886</b>
<b>40 - MCF Non Union</b>				
Active Employees	\$ 9,128,062	\$ 4,290,483	47.0%	\$ 4,837,579
Vested Former Employees	1,000,477	1,000,477	100.0%	0
Retirees And Beneficiaries	8,472,058	8,472,058	100.0%	0
Pending Refunds	<u>1,110</u>	<u>1,110</u>	100.0%	<u>0</u>
<b>Total</b>	<b>\$ 18,601,707</b>	<b>\$ 13,764,128</b>	<b>74.0%</b>	<b>\$ 4,837,579</b>
<b>60 - CMH Non Union</b>				
Active Employees	\$ 1,927,306	\$ 1,818,766	94.4%	\$ 108,540
Vested Former Employees	349,808	349,808	100.0%	0
Retirees And Beneficiaries	1,221,358	1,221,358	100.0%	0
Pending Refunds	<u>0</u>	<u>0</u>	0.0%	<u>0</u>
<b>Total</b>	<b>\$ 3,498,472</b>	<b>\$ 3,389,932</b>	<b>96.9%</b>	<b>\$ 108,540</b>
<b>Total Municipality</b>				
<b>Active Employees</b>	<b>\$ 51,966,529</b>	<b>\$ 39,953,489</b>	<b>76.9%</b>	<b>\$ 12,013,040</b>
<b>Vested Former Employees</b>	<b>6,756,175</b>	<b>6,756,175</b>	<b>100.0%</b>	<b>0</b>
<b>Retirees and Beneficiaries</b>	<b>42,980,085</b>	<b>42,980,085</b>	<b>100.0%</b>	<b>0</b>
<b>Pending Refunds</b>	<b><u>122,077</u></b>	<b><u>122,077</u></b>	<b>100.0%</b>	<b><u>0</u></b>
<b>Total Participants</b>	<b>\$ 101,824,866</b>	<b>\$ 89,811,826</b>	<b>88.2%</b>	<b>\$ 12,013,040</b>

<sup>1</sup> Includes both employer and employee assets.

**Please see the Comments on the Investment Markets.**

See the MERS Fiscal Responsibility Policy on the MERS website at:

[http://www.mersofmich.com/Portals/0/Assets/PageResources/MERS/PlanDocument/Pension/sec\\_43c.pdf](http://www.mersofmich.com/Portals/0/Assets/PageResources/MERS/PlanDocument/Pension/sec_43c.pdf).

## Actuarial Accrued Liabilities - Comparative Schedule

**Table 7**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2000	\$ 35,717,216	\$ 31,832,139	89%	\$ 3,885,077
2001	43,599,768	35,020,726	80%	8,579,042
2002	47,793,702	37,275,307	78%	10,518,395
2003	49,842,139	40,320,750	81%	9,521,389
2004	53,364,956	44,605,818	84%	8,759,138
2005	57,449,535	48,484,521	84%	8,965,014
2006	62,191,494	55,548,007	89%	6,643,487
2007	67,484,457	61,321,749	91%	6,162,708
2008	72,924,490	64,884,220	89%	8,040,270
2009	75,451,001	69,487,923	92%	5,963,078
2010	79,860,857	73,526,774	92%	6,334,083
2011	85,385,423	78,311,311	92%	7,074,112
2012	89,282,225	81,065,887	91%	8,216,338
2013	94,903,895	84,858,437	89%	10,045,458
2014	101,824,866	89,811,826	88%	12,013,040

Notes: Actuarial assumptions were revised for the 2000, 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

## Division 02 - POLC Sheriff

### Table 8-02: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 13,968,828	\$ 11,459,743	82%	\$ 2,509,085
2005	14,846,476	12,080,137	81%	2,766,339
2006	15,603,182	13,742,142	88%	1,861,040
2007	16,729,281	14,670,860	88%	2,058,421
2008	17,581,765	14,978,476	85%	2,603,289
2009	18,248,875	15,931,563	87%	2,317,312
2010	18,864,025	16,376,070	87%	2,487,955
2011	19,600,877	16,856,101	86%	2,744,776
2012	20,140,990	17,176,086	85%	2,964,904
2013	21,155,855	17,829,275	84%	3,326,580
2014	22,552,782	18,334,793	81%	4,217,989

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

### Table 9-02: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	75	\$ 3,130,218	11.58%	2.49%
2005	77	3,355,802	11.74%	2.49%
2006	78	3,492,975	10.26%	2.49%
2007	77	3,540,996	10.76%	2.49%
2008	76	3,597,122	11.88%	2.49%
2009	76	3,860,058	11.30%	2.49%
2010	74	3,549,868	12.17%	2.49%
2011	73	3,563,819	12.05%	2.49%
2012	73	3,622,005	12.73%	2.49%
2013	73	3,623,507	13.43%	2.49%
2014	73	3,771,938	14.75%	2.49%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 04 - S.T.A.R.S.

**Table 8-04: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 5,359,047	\$ 4,719,358	88%	\$ 639,689
2005	6,002,991	5,088,416	85%	914,575
2006	6,591,302	5,638,412	86%	952,890
2007	7,324,970	6,226,954	85%	1,098,016
2008	7,953,439	6,673,168	84%	1,280,271
2009	8,026,964	7,220,033	90%	806,931
2010	8,555,727	7,741,169	90%	814,558
2011	9,432,054	8,301,368	88%	1,130,686
2012	9,947,561	8,889,986	89%	1,057,575
2013	11,055,158	9,554,589	86%	1,500,569
2014	11,568,898	10,114,388	87%	1,454,510

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-04: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	255	\$ 4,799,539	6.32%	0.00%
2005	226	4,304,196	6.00%	2.33%
2006	228	4,903,116	5.98%	2.33%
2007	238	5,286,231	8.01%	0.00%
2008	239	5,520,840	8.24%	0.00%
2009	245	5,700,181	7.73%	0.00%
2010	237	5,527,623	7.99%	0.00%
2011	304	7,210,900	7.75%	0.00%
2012	306	7,290,485	7.78%	0.00%
2013	301	7,164,177	7.89%	1.27%
2014	288	7,237,326	7.79%	1.27%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 06 - CMH Union

### Table 8-06: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 2,728,373	\$ 2,007,196	74%	\$ 721,177
2005	2,977,996	2,337,663	78%	640,333
2006	3,495,191	2,874,782	82%	620,409
2007	4,019,542	3,581,079	89%	438,463
2008	4,514,708	3,953,621	88%	561,087
2009	4,760,194	4,400,022	92%	360,172
2010	5,152,176	4,946,375	96%	205,801
2011	5,712,715	5,626,574	99%	86,141
2012	6,186,499	6,006,035	97%	180,464
2013	6,545,267	6,325,525	97%	219,742
2014	7,293,162	6,889,317	95%	403,845

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

### Table 9-06: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	60	\$ 1,722,057	11.32%	0.00%
2005	60	1,707,626	11.23%	0.00%
2006	61	1,913,430	10.83%	0.00%
2007	63	2,120,601	10.20%	0.00%
2008	61	2,159,843	9.90%	0.00%
2009	61	2,370,711	9.24%	0.00%
2010	64	2,438,785	9.21%	0.00%
2011	62	2,411,865	8.57%	0.00%
2012	63	2,399,198	8.71%	0.00%
2013	60	2,362,295	8.72%	0.00%
2014	66	2,650,699	8.95%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 10 - AFSCME

**Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 4,510,811	\$ 4,352,096	96%	\$ 158,715
2005	4,985,414	4,707,886	94%	277,528
2006	5,281,718	5,095,846	96%	185,872
2007	5,581,134	5,474,019	98%	107,115
2008	5,844,132	5,790,661	99%	53,471
2009	6,169,658	6,052,906	98%	116,752
2010	6,282,205	6,221,094	99%	61,111
2011	6,641,977	6,539,902	99%	102,075
2012	6,907,582	6,605,789	96%	301,793
2013	7,150,032	6,724,524	94%	425,508
2014	7,485,077	7,306,241	98%	178,836

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-10: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	51	\$ 1,579,435	9.34%	0.00%
2005	55	1,759,841	9.67%	0.00%
2006	53	1,758,585	9.43%	0.00%
2007	46	1,536,793	9.34%	0.00%
2008	42	1,408,252	8.53%	0.00%
2009	40	1,464,689	8.80%	0.00%
2010	35	1,243,956	8.85%	0.00%
2011	36	1,238,602	8.62%	0.00%
2012	35	1,236,547	9.73%	0.00%
2013	35	1,204,007	10.44%	0.00%
2014	36	1,294,086	9.05%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 11 - Grnl Non Union

**Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 5,359,537	\$ 4,201,350	78%	\$ 1,158,187
2005	5,884,954	4,744,132	81%	1,140,822
2006	5,827,279	5,635,618	97%	191,661
2007	6,482,106	6,251,012	96%	231,094
2008	7,197,635	6,973,554	97%	224,081
2009	7,267,054	7,812,263	108%	(545,209)
2010	7,765,800	8,327,804	107%	(562,004)
2011	8,256,330	8,680,352	105%	(424,022)
2012	8,689,048	8,919,726	103%	(230,678)
2013	8,995,568	9,176,982	102%	(181,414)
2014	9,690,233	9,460,139	98%	230,094

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-11: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	68	\$ 2,760,734	10.80%	0.00%
2005	69	2,836,445	10.82%	0.00%
2006	65	2,690,032	9.05%	0.00%
2007	64	2,771,502	9.25%	0.00%
2008	62	2,736,869	8.86%	0.00%
2009	58	2,699,285	5.98%	0.00%
2010	56	2,515,211	6.25%	0.00%
2011	53	2,388,523	6.39%	0.00%
2012	52	2,334,269	7.22%	0.00%
2013	45	2,085,028	7.19%	0.00%
2014	47	2,142,519	8.86%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 12 - Gnrl Teamsters

**Table 8-12: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 6,088,035	\$ 5,542,121	91%	\$ 545,914
2005	6,470,881	6,002,144	93%	468,737
2006	7,056,035	6,500,719	92%	555,316
2007	7,510,004	7,038,360	94%	471,644
2008	7,966,585	7,350,686	92%	615,899
2009	8,124,274	7,811,903	96%	312,371
2010	8,573,000	8,288,251	97%	284,749
2011	9,094,428	8,919,341	98%	175,087
2012	9,477,282	9,157,210	97%	320,072
2013	10,042,023	9,518,699	95%	523,324
2014	10,754,376	10,415,100	97%	339,276

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-12: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	79	\$ 2,466,032	9.08%	0.00%
2005	79	2,475,485	8.93%	0.00%
2006	79	2,604,302	8.99%	0.00%
2007	78	2,635,934	8.83%	0.00%
2008	78	2,654,706	9.19%	0.00%
2009	74	2,665,630	8.47%	0.00%
2010	68	2,434,100	8.75%	0.00%
2011	66	2,349,500	8.17%	0.00%
2012	66	2,370,512	8.64%	0.00%
2013	67	2,421,245	9.15%	0.00%
2014	68	2,518,253	8.60%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 13 - Elected & Appt. Dept Heads

**Table 8-13: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 4,269,604	\$ 3,873,527	91%	\$ 396,077
2005	4,745,842	4,150,853	87%	594,989
2006	5,687,804	5,217,257	92%	470,547
2007	5,988,163	6,071,842	101%	(83,679)
2008	6,316,152	6,299,285	100%	16,867
2009	6,509,265	6,493,331	100%	15,934
2010	6,911,978	6,745,462	98%	166,516
2011	7,159,028	7,370,412	103%	(211,384)
2012	7,416,706	7,533,800	102%	(117,094)
2013	7,688,872	7,768,762	101%	(79,890)
2014	7,945,278	7,966,793	100%	(21,515)

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-13: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	25	\$ 984,617	9.75%	2.53%
2005	25	1,012,615	10.79%	2.53%
2006	25	1,144,909	9.62%	2.53%
2007	27	1,201,441	6.82%	2.53%
2008	25	1,087,404	7.63%	2.53%
2009	26	1,183,905	7.61%	2.53%
2010	24	1,083,981	8.68%	2.53%
2011	24	1,058,033	5.09%	2.53%
2012	23	1,033,001	6.40%	2.53%
2013	23	1,059,325	7.20%	2.53%
2014	23	1,089,442	7.81%	2.53%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 20 - COAM/POAM Disp

**Table 8-20: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 1,031,023	\$ 593,431	58%	\$ 437,592
2005	1,180,535	690,563	58%	489,972
2006	1,305,872	795,241	61%	510,631
2007	1,398,310	919,935	66%	478,375
2008	1,541,693	1,037,678	67%	504,015
2009	1,566,343	1,229,516	78%	336,827
2010	1,709,932	1,408,578	82%	301,354
2011	1,877,994	1,587,521	85%	290,473
2012	2,010,409	1,706,187	85%	304,222
2013	2,201,118	1,863,562	85%	337,556
2014	2,434,881	2,170,995	89%	263,886

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-20: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	16	\$ 611,797	12.97%	0.00%
2005	16	658,457	13.07%	0.00%
2006	16	655,631	13.45%	0.00%
2007	15	639,262	13.42%	0.00%
2008	16	695,634	13.26%	0.00%
2009	16	727,271	11.84%	0.00%
2010	16	692,364	11.67%	0.00%
2011	16	705,498	11.21%	0.00%
2012	16	708,848	11.55%	0.00%
2013	16	714,011	11.84%	0.00%
2014	13	619,208	11.45%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 40 - MCF Non Union

**Table 8-40: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 7,965,551	\$ 6,501,869	82%	\$ 1,463,682
2005	8,199,330	7,206,677	88%	992,653
2006	9,041,058	7,993,524	88%	1,047,534
2007	9,974,903	8,799,434	88%	1,175,469
2008	11,401,936	9,463,994	83%	1,937,942
2009	12,140,501	10,075,912	83%	2,064,589
2010	13,313,568	10,837,700	81%	2,475,868
2011	14,665,104	11,561,516	79%	3,103,588
2012	15,454,455	12,140,833	79%	3,313,622
2013	16,800,339	12,973,786	77%	3,826,553
2014	18,601,707	13,764,128	74%	4,837,579

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-40: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	90	\$ 3,355,870	11.37%	0.00%
2005	89	3,344,614	10.75%	0.00%
2006	89	3,450,225	10.70%	0.00%
2007	92	3,840,560	10.71%	0.00%
2008	89	3,855,445	12.49%	0.00%
2009	93	4,164,596	12.43%	0.00%
2010	96	4,288,706	13.18%	0.00%
2011	95	4,459,948	13.32%	0.00%
2012	93	4,361,594	13.98%	0.00%
2013	97	4,558,300	14.46%	0.00%
2014	95	4,580,417	15.79%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## Division 60 - CMH Non Union

**Table 8-60: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	\$ 2,084,147	\$ 1,355,127	65%	\$ 729,020
2005	2,155,116	1,476,050	68%	679,066
2006	2,302,053	2,054,466	89%	247,587
2007	2,476,044	2,288,254	92%	187,790
2008	2,606,445	2,363,097	91%	243,348
2009	2,637,873	2,460,474	93%	177,399
2010	2,732,446	2,634,271	96%	98,175
2011	2,944,916	2,868,224	97%	76,692
2012	3,051,693	2,930,235	96%	121,458
2013	3,269,663	3,122,733	96%	146,930
2014	3,498,472	3,389,932	97%	108,540

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

**Table 9-60: Required Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Required Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2004	8	\$ 374,830	17.13%	0.00%
2005	9	474,533	15.00%	0.00%
2006	9	492,632	10.17%	0.00%
2007	9	522,479	9.68%	0.00%
2008	9	529,886	11.12%	0.00%
2009	9	546,753	9.19%	0.00%
2010	10	582,803	8.77%	0.00%
2011	9	537,109	8.23%	0.00%
2012	9	546,357	8.85%	0.00%
2013	11	638,867	9.12%	0.00%
2014	12	721,577	8.62%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

## GASB 68 Information

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The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. Statement 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at [www.mersofmich.com](http://www.mersofmich.com).

Actuarial Valuation Date:	12/31/2014
Measurement Date of Total Pension Liability (TPL):	12/31/2014

At 12/31/2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	327
Inactive employees entitled to but not yet receiving benefits:	124
Active employees:	<u>721</u>
	1,172

Covered employee payroll: (Needed for Required Supplementary Information)	\$	26,625,465
Total Pension Liability as of 12/31/2013 measurement date:	\$	93,573,637
Total Pension Liability as of 12/31/2014 measurement date:	\$	99,064,908
Service Cost for the year ending on the 12/31/2014 measurement date:	\$	2,178,475

Change in the Total Pension Liability due to:

- Benefit changes <sup>1</sup> :	\$	0
- Differences between expected and actual experience <sup>2</sup> :	\$	0
- Changes in assumptions <sup>2</sup> :	\$	0

Average expected remaining service lives of all employees (active and inactive): 6

<sup>1</sup> A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

<sup>2</sup> Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Sensitivity of the Net Pension Liability to changes in the discount rate:

	1% Decrease <u>(7.25%)</u>	Current Discount Rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
Change in Net Pension Liability as of 12/31/2014:	\$ 11,777,599	-	\$ (9,963,603)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

## GASB 68 Information

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This page is for those municipalities who need to “roll-forward” their total pension liability due to the timing of completion of the actuarial valuation in relation to their fiscal year-end.

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. Statement 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at [www.mersofmich.com](http://www.mersofmich.com).

Actuarial Valuation Date:	12/31/2014
Measurement Date of Total Pension Liability (TPL):	12/31/2015

At 12/31/2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	327
Inactive employees entitled to but not yet receiving benefits:	124
Active employees:	<u>721</u>
	1,172

Covered employee payroll: (Needed for Required Supplementary Information)	\$	26,625,465
Total Pension Liability as of 12/31/2014 measurement date:	\$	99,064,908
Total Pension Liability as of 12/31/2015 measurement date:	\$	104,387,147
Service Cost for the year ending on the 12/31/2015 measurement date:	\$	2,222,044

Change in the Total Pension Liability due to:

- Benefit changes <sup>1</sup> :	\$	0
- Differences between expected and actual experience <sup>2</sup> :	\$	0
- Changes in assumptions <sup>2</sup> :	\$	0

Average expected remaining service lives of all employees (active and inactive): 6

<sup>1</sup> A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

<sup>2</sup> Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Sensitivity of the Net Pension Liability to changes in the discount rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Change in Net Pension Liability as of 12/31/2015:	\$ 12,280,939	-	\$ (10,391,975)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

## Benefit Provision History

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

### 02 - POLC Sheriff

1/1/1999	Benefit B-4 (80% max)
1/1/1999	Member Contribution Rate 2.49%
1/1/1994	Benefit B-3 (80% max)
1/1/1991	Benefit B-2
1/1/1991	Benefit F50 (With 25 Years of Service)
1/1/1988	Benefit C-2/Base B-1
6/1/1985	Member Contribution Rate 0.00%
1/1/1981	Benefit F55 (With 25 Years of Service)
1/1/1981	Member Contribution Rate 5.00%
4/6/1978	Exclude Temporary Employees
1/1/1973	Benefit C-1 (Old)
10/30/1970	Covered by Act 88
6/1/1966	Benefit FAC-5 (5 Year Final Average Compensation)
6/1/1966	10 Year Vesting
6/1/1966	Benefit C (Old)
6/1/1966	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
	Fiscal Month - January

### 04 - S.T.A.R.S.

2/1/2013	Benefit F55 (With 25 Years of Service)
2/1/2013	Member Contribution Rate 1.27%
5/1/2007	Member Contribution Rate 0.00%
10/1/2005	Benefit B-2
10/1/2005	Member Contribution Rate 2.33%
1/1/1987	Member Contribution Rate 0.00%
1/1/1973	Benefit C-1 (Old)
10/30/1970	Covered by Act 88
6/1/1966	Benefit FAC-5 (5 Year Final Average Compensation)
6/1/1966	10 Year Vesting
6/1/1966	Benefit C (Old)
6/1/1966	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
6/1/1966	Fiscal Month - January

### 06 - CMH Union

4/1/2003	Benefit B-3 (80% max)
5/1/2001	Member Contribution Rate 0.00%
1/1/2001	Member Contribution Rate 4.14%
1/1/2000	Member Contribution Rate 4.41%
1/1/1999	Member Contribution Rate 0.23%
11/1/1998	Benefit FAC-5 (5 Year Final Average Compensation)

**06 - CMH Union**

11/1/1998	10 Year Vesting
11/1/1998	Benefit B-2
11/1/1998	Member Contribution Rate 0.00%
4/6/1978	Exclude Temporary Employees
10/30/1970	Covered by Act 88
	Fiscal Month - January

**10 - AFSCME**

1/1/2000	Benefit B-3 (80% max)
3/1/1991	Benefit B-2
1/1/1986	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1986	10 Year Vesting
1/1/1986	Member Contribution Rate 0.00%
10/30/1970	Covered by Act 88
	Fiscal Month - January

**11 - Gnrl Non Union**

12/31/2000	Benefit B-3 (80% max)
12/1/1990	Benefit B-2
1/1/1986	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1986	10 Year Vesting
1/1/1986	Member Contribution Rate 0.00%
4/6/1978	Exclude Temporary Employees
10/30/1970	Covered by Act 88
	Fiscal Month - January

**12 - Gnrl Teamsters**

1/1/2000	Benefit B-3 (80% max)
1/1/1991	Benefit B-2
1/1/1986	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1986	10 Year Vesting
1/1/1986	Member Contribution Rate 0.00%
4/6/1978	Exclude Temporary Employees
10/30/1970	Covered by Act 88
	Fiscal Month - January

**13 - Elected & Appt. Dept Heads**

1/1/2005	Benefit B-4 (80% max)
1/1/2005	Member Contribution Rate 2.53%
1/1/2001	Benefit B-3 (80% max)
12/1/1990	Benefit B-2
6/1/1985	Benefit FAC-5 (5 Year Final Average Compensation)
6/1/1985	10 Year Vesting
6/1/1985	Member Contribution Rate 0.00%

**13 - Elected & Appt. Dept Heads**

4/6/1978	Exclude Temporary Employees
10/30/1970	Covered by Act 88
	Fiscal Month - January

**20 - COAM/POAM Disp**

12/31/2000	Benefit FAC-5 (5 Year Final Average Compensation)
12/31/2000	10 Year Vesting
12/31/2000	Benefit B-3 (80% max)
12/31/2000	Benefit F50 (With 25 Years of Service)
12/31/2000	Member Contribution Rate 0.00%
4/6/1978	Exclude Temporary Employees
10/30/1970	Covered by Act 88
	Fiscal Month - January

**40 - MCF Non Union**

1/1/2008	Benefit B-4 (80% max)
1/1/1999	Benefit B-3 (80% max)
1/1/1999	Benefit F55 (With 25 Years of Service)
1/1/1991	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1991	10 Year Vesting
1/1/1991	Benefit B-2
1/1/1991	Benefit F55 (With 30 Years of Service)
1/1/1991	Member Contribution Rate 0.00%
10/30/1970	Covered by Act 88
6/1/1966	Fiscal Month - January

**60 - CMH Non Union**

5/1/2001	Benefit B-3 (80% max)
11/1/1998	Benefit B-2
11/1/1998	Member Contribution Rate 0.00%
11/1/1998	Benefit FAC-5 (5 Year Final Average Compensation)
11/1/1998	10 Year Vesting
4/6/1978	Exclude Temporary Employees
10/30/1970	Covered by Act 88
	Fiscal Month - January

**Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method**

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Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the [Appendix](#). Some actuarial assumptions are specific to this municipality and its divisions. These are listed below.

**Increase in Final Average Compensation**

Division	FAC Increase Assumption
All Divisions	3.00%

**Withdrawal Rate Scaling Factor**

Division	Withdrawal Rate Scaling Factor
All Divisions	120%

**Miscellaneous and Technical Assumptions**

Loads – None.