

**TOWN OF GLASTONBURY  
PROFESSIONAL SERVICES PROCUREMENT NOTICE  
ACTUARIAL VALUATION SERVICES FOR THE TOWN'S RETIREMENT INCOME  
PLAN**

**RPGL # 2011 - 28**

The Town of Glastonbury will be accepting proposals from qualified firms who can provide actuarial valuation services for the Town's Retirement Income Plan. Interested individuals and firms can obtain the proposal on the Town's website at [www.glastonbury-ct.gov](http://www.glastonbury-ct.gov) or request the proposal instructions and details from the Purchasing Agent, 2155 Main Street, Glastonbury, CT 06033.

Proposals must be submitted to the Purchasing Agent no later than **June 2, 2011 at 11:00 AM.**  
**LATE PROPOSALS WILL NOT BE CONSIDERED.**

Mary F. Visone  
Purchasing Agent

**Town of Glastonbury, CT**

**Request for Proposal  
Actuarial Valuation Services for the Town's Retirement  
Income Plan**

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# Town of Glastonbury, CT

## Request for Proposal Actuarial Valuation Services for the Town's Retirement Income Plan

### GENERAL INFORMATION

#### A. INTRODUCTION

The Town of Glastonbury ("Town") is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The plan is a defined benefit retirement system.

The plan covers non affiliated employees as well as members of collective bargaining units and non certified staff at the Board of Education. The Town seeks to retain the services of a benefits consulting firm to perform the necessary actuarial services including preparation of the annual actuarial valuation report, calculation of benefit payments data for retirees and respond as needed to questions relating to the Town's plan.

The Town's current provider has served as the Town's service provider for all retirement services for a number of years. These services included actuarial, investment advisory, custodial and administrative. Over recent months the Town decided to unbundle the management of the Pension program and hired an independent consultant to provide investment advisor services and appointed another firm to provide custodial and administrative services. This RFQ is for actuarial services.

In addition to the preparation of the annual Actuarial Valuation Report, the actuary will also provide consulting services to the Town with regard to the Town's pension plan and retirement benefits including but not limited to the calculation of retirement benefits and providing relative data with regard to negotiation of retirement benefits with Town collective bargaining groups. Additionally, the consulting firm will be required to provide annually Governmental Accounting Standard Board (GASB) updates to the Town's Independent Auditor no later than September 15, of each year.

As of the January 1, 2010 valuation, membership consisted of:

Retirees, disabled members and beneficiaries receiving benefits	236
Terminated Vested employees	97
Inactives	8
Active Members	459
	<hr/>
TOTAL	800

The asset value of the plan as of February 28, 2011 is: \$88,717,352. A copy of the January 1, 2010 actuarial valuation is included as part of this RFQ as **Attachment C**. A section of the valuation addresses the benefits provided to the various Town and Board of Education employee groups.

## **B. MINIMUM REQUIREMENTS**

To be considered interested firms and individuals must satisfy the following requirements:

- Be enrolled by the joint board for the enrollment of actuaries established under Subtitle C of Title III of ERISA
- Be licensed in the state of Connecticut
- Have five (5) years or more experience (primary actuary)
- Have municipal experience with three (3) or more accounts of Towns in similar size to Glastonbury

## **C. EVALUATION CRITERIA**

Selection will be based on the vendor's ability to provide the requested services Responses to the RFQ and vendor selection will be evaluated according to the following criteria:

- Accuracy, overall quality, thoroughness and responsiveness to the Town's requirements as summarized herein.
- Demonstrated understanding of the Scope of Services.
- The qualifications and municipal experience of the firm and the designated account executive and other key personnel to be assigned to the account.
- Demonstrated successful transition and performance on other municipal accounts.
- Familiarity and experience with employee benefits, pension trends and actuarial methodologies.
- Demonstrated flexibility, efficiency and timeliness in providing day to day service to municipal clients. Demonstrated ability to communicate effectively with client
- Relevant background and experience of individual/team assigned to Glastonbury
- Overall responsiveness and quality of response to RFQ
- Overall approach to providing actuarial services to the Town.

Following review and evaluation of proposals, the Town reserves the right to request certain additional information. Based on review and rating of proposals, a short list of respondents will be invited to interview with the Town Selection Committee. Respondents are advised that interviews of the top rated firms will be held the week of June 6, 2011.

Based on the results of the interview process, the Town Manager will review Scope of Services, proposed fee structure, and other factors with the top rated firm(s) and negotiate a specific agreement and final fee based on these discussions.

## **D. TERM OF SERVICE**

The selected firm or individual will be expected to commence services on or before September 1, 2011 subject to contract execution.

The Town of Glastonbury reserves the right to cancel this proposal process at any time.

## SECTION II - SCOPE OF SERVICES

### A. SPECIFIC SERVICES

#### 1. Overview:

- Provide consultation and advisory services regarding plan design. This includes determining the review and validity of current assumptions and recommendations for alternative assumptions for actuarial valuation purposes, if necessary.
- Transition the plans from current provider of actuarial services in a manner that ensures the accuracy and integrity of the data with minimal disruption to the Glastonbury staff and employees.
- Provide pre-retirement calculations to retirees for retirement planning decision purposes. Estimates to be provided to Human Resources and Retiree.
- Serve as an advisor to the Town and Board of Education on a pro-active basis with respect to major changes in state and federal legislation that affect the Town's retirement plan and that will require changes.
- Serve as on-going advisor to the Town in matters related to the implementation of new Governmental Accounting Standards Board (GASB) pronouncements.

#### 2. Reports/On-Going Responsibilities:

- Prepare actuarial valuation report as of January 1 for each year of the contract. An original and fifteen (15) copies shall be provided of each report as well as a PDF electronic copy. The Town will provide necessary salary data within 45 days after year-end. The valuation should be completed within 90 days of receipt such data.
- Prepare disclosures as required in compliance with Government Accounting Standards Board (GASB) and distribute to the Town and Town's Independent Auditor in a timely manner. Connecticut General Statutes require that audits be filed with the Secretary of OPM by Dec. 31 of each year. The Town requests that this information be provided to the Town and its' auditor no later than September 15.
- Provide annual budget estimates for the subsequent fiscal year (7/1-6/30) to the Director of Finance no later than November 30<sup>th</sup> of each year.
- Provide annual participant statements to the Town for distribution to all plan members each year of the contract by March 1.
- Provide updates and changes to pension plan and pension Summary Plan Document (SPD) based on collective bargaining changes and other changes to the pension plan as needed.
- Provide clear and concise statements annually to retirees regarding their Cost of Living (COLA) increases, including the amount/percentage and how it was derived.
- Provide preliminary and final benefit calculations as required for active members and beneficiaries of current retirees.

### 3. Meetings:

- Attend required meetings to be held in Glastonbury with Town staff that may include the Town Manager, Director of Finance, Director of Human Resources and Glastonbury Public Schools Superintendent and Business Manager to review current assumptions and plan design. On an on-going basis, attend at least one meeting annually to present the results of the actuarial valuation and to review assumptions in anticipation of preparation of the subsequent year's valuation.
- Attend administrative meetings with Town staff as necessary during the first year to insure a smooth transition.
- In conjunction with designated staff, plan and attend an annual information meeting for eligible employees at the Town offices to explain the plan, review retirement planning and to respond to questions.

### 4. Transition:

- Develop a transition plan that can be reviewed with the Town within 10 days of contract execution.

### 5. Special Projects (as needed):

- May be called upon to provide additional services related to possible coordination of all plans (DB & DC) of the Town to ensure administrative efficiencies.
- Perform an asset liability study as needed to be used to aid in Asset Allocation and Investment Management strategies.
- Provide information to the Town regarding the cost of changes to the plans and DC plans through the Collective Bargaining Process.

### 6. Other:

The Town requires that the firm designate a single point of contact for overall management of services provided in accordance with this RFQ. Proposers should identify this individual and a back-up individual in case of absence of primary designated individual.

## FIRM QUALIFICATIONS

All proposals should include background information on firm and specific personnel that will be assigned to work with the Town of Glastonbury. This information should include but not be limited to:

- Size of firm,
- Number of years in business,
- Resumes of principal personnel that would be assigned to this project, including professional designations,
- References to include the names, addresses, telephone numbers and E-mail of at least three government references that are current clients including GASB 45 valuations,
- Include a sample of typical client communication document with client name redacted. This should include a sample GASB communication to the town and a

sample individual participant benefits statement.

## **B. INSURANCE**

The Consultant shall, at its own expense and cost, obtain and keep in force during the entire duration of the Project or Work the following insurance coverage covering the Consultant and all of its agents, employees, sub-contractors and other providers of services and shall name the Town, its employees and agents as an Additional Insured on a primary and non-contributory basis to the Consultant's Commercial General Liability and Automobile Liability policies. **These requirements shall be clearly stated in the remarks section on the Consultant's Certificate of Insurance.** Insurance shall be written with insurance carriers approved in the State of Connecticut and with a minimum Best's Rating of A-. In addition, all carriers are subject to approval by the Town. Minimum limits and requirements are stated below:

### (a) Worker's Compensation Insurance:

- Statutory Coverage
- Employer's Liability
- \$100,000 each accident/\$500,000 disease-policy limit/\$100,000 disease each employee

### (b) Commercial General Liability:

- Including Premises & Operations, Products and Completed Operations, Personal and Advertising Injury, Contractual Liability and Independent Contractors.
- Limits of Liability for Bodily Injury and Building Damage  
Each Occurrence \$1,000,000  
Aggregate \$2,000,000 (The Aggregate Limit shall apply separately to each job.)
- A Waiver of Subrogation shall be provided

### (c) Automobile Insurance:

- Including all owned, hired, borrowed and non-owned vehicles
- Limit of Liability for Bodily Injury and Building Damage:  
Per Accident \$1,000,000

### (d) Errors and Omissions Liability or Professional Services Liability Policy

- Provide Errors and Omissions Liability or Professional Services Liability Policy for a minimum Limit of Liability \$1,000,000 each occurrence or per claim. The awarded Consultant(s) will be responsible to provide written notice to the Owner 30 days prior to cancellation of any insurance policy.
- The Consultant agrees to maintain continuous professional liability coverage for the entire duration of this Project, and shall provide for an Extended Reporting Period in which to report claims for seven (7) years following the conclusion of the Project.



The Consultant shall provide a Certificate of Insurance as "evidence" of General Liability, Auto Liability including all owned, hired, borrowed and non-owned vehicles, statutory Worker's Compensation and Employer's Liability and Professional Services Liability coverage.

The Consultant shall direct its Insurer to provide a Certificate of Insurance to the Town before any work is performed. The awarded Consultant will be responsible to provide written notice to the Owner 30 days prior to cancellation of any insurance policy. The Certificate shall evidence all required coverage including the Additional Insured on the General Liability and Auto Liability policies and Waiver of Subrogation on the General Liability policy. The Consultant shall provide the Town copies of any such insurance policies upon request.

To the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the Town and the Board of Education and their respective consultants, agents, and employees from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, attorneys and other professionals and court and arbitration costs) to the extent arising out of or resulting from the performance of the Consultant's work, provided that such claim, damage, loss or expense is caused in whole or in part by any negligent act or omission by the Consultant, or breach of its obligations herein or by any person or organization directly or indirectly employed or engaged by the Consultant to perform or furnish either of the services, or anyone for whose acts the Consultant may be liable.

As to any and all claims against the Town or any of its consultants, agents or employees by any employee of Consultant, by any person or organization directly or indirectly employed by Consultant to perform or furnish any of the work, or by anyone for whose acts Consultant may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Consultant under worker's or workman's compensation acts, disability benefit acts or other employee benefit acts.

The above insurance requirements are the Town's general requirements. Insurance requirements with the awarded respondent are subject to final negotiations.

### **SECTION III - SUBMISSION OF PROPOSAL**

#### **A. PROPOSAL INSTRUCTIONS**

By submitting a proposal, you represent that you have thoroughly examined and become familiar with the scope of services outlined in this RFQ and you are capable of performing the work to achieve the Town's objectives.

All firms are required to submit a clearly marked original and seven (7) copies of their proposal to Mary F. Visone, Purchasing Agent, 2155 Main Street, Glastonbury, CT by June 2, 2011. All proposals will be opened publicly and recorded as received. Proposers may be present at the opening however, there will be no public reading of Proposals. Proposals received later than the time and date specified will not be considered. The proposal must be submitted in a sealed envelope or package and the outside shall be clearly marked:

**SEALED REQUEST FOR PROPOSAL  
PROFESSIONAL SERVICES PROCUREMENT NOTICE  
ACTUARIAL VALUATION SERVICES FOR THE TOWN'S  
RETIREMENT INCOME PLAN  
RPGL-2011 -28  
DATE - JUNE 2, 2011  
TIME - 11:00 A.M.**

All respondents are required to submit the information detailed below. **Responses shall be organized and presented in the order listed below to assist the Town in reviewing and rating proposals.** Responses should be presented in appropriate detail to thoroughly respond to the requirements and expected services described herein.

- a. Table of Contents to include clear identification of the material provided by section and number.
- b. A letter of transmittal indicating the firm's interest in providing the service and any other information that would assist the Town in making a selection. This letter must be signed by a person legally authorized to bind the firm to a contract. This letter also must affirm that the firm or their representative has made themselves knowledgeable of those matters and conditions in the Town which would influence this Proposal.
- c. Name and telephone number of person(s) to be contacted for further information or clarification.
- d. A background and qualifications statement, including description and history of your firm and the servicing office
- e. Include a list of not less than three current client references from who services similar to those outlined herein have been provided or are currently being provided. This list shall include the following information:
  1. Name of the organization
  2. Approximate gross cost of contract, annually
  3. Dates services encompass
  4. Services being provided
  5. Name, address, and telephone number of the responsible official of the organization

The Town reserves the right to contact these organizations regarding the actuarial services performed by the firm.

- f. List of personnel to be assigned to this project, including years of experience in their current position, municipalities served and their roles in those actuarial services. Please provide their resumes, and document the chain of command for these individuals

- g. Provide typical transition plan from the Town's current service provider to your firm.
- h. Detail the specific data your firm would require in order to complete the actuarial study and in what format the data needs to be transmitted.
- i. Understanding of Scope of Work – Include information that explains your firm's ability to perform these services. Does your firm have any unique qualifications or expertise regarding governmental benefit plans? If so, please describe.
- j. Describe the process and approach used to develop the valuation assumptions. Describe the role the employer plays in this process.
- k. General description of approach to professional fees. Actual fee proposal is not required.
- l. A concluding statement as to why the respondent is best qualified to meet the needs of the Town.
- m. Proposal Response Page (ATTACHMENT A)
- n. Signed Non-Collusion Statement (ATTACHMENT B)
- o. Respondent is required to review the Town of Glastonbury Code of Ethics adopted July 8, 2003 and effective August 1, 2003. Respondent shall acknowledge that they have reviewed the document in the area provided on the attached Ethics Acknowledgement form included on ATTACHMENT A. The selected respondent will also be required to complete and sign a Consultant Acknowledgement Form prior to award. The Code of Ethics and the Consultant Acknowledgment Form can be accessed at the Town of Glastonbury website at [www.glasct.org](http://www.glasct.org). Upon entering the website click on General Information, then Bids and Quotes which will bring you to the links for the Code of Ethics and the Consultant Acknowledgement Form. If the respondent does not have access to the internet, a copy of these documents can be obtained through the Purchasing Department at the address listed within this proposal.

## **B. TOWN CONTACTS**

1. All technical inquires relative to this RFP must be directed in writing to Ms. Diane M. Waldron, Director of Finance and Administrative Services, 2155 Main Street, Glastonbury, CT 06033. For administrative questions concerning this proposal, please contact Mary F. Visone, Purchasing Agent at (860) 652-7588. All questions, answers, and/or addenda, as applicable will be posted on the Town's website at [www.glastonbury-ct.gov](http://www.glastonbury-ct.gov). (Upon entering the website click on Bids & RFPs). The request must be received at least three (3) business days prior to the advertised response deadline. **It is the respondent's responsibility to check the website for addenda prior to submission of any bid/proposal.**
2. No other Glastonbury Town employee, elected official, or evaluation committee member should be contacted concerning this RFP during the proposal process. Failure to comply with this requirement may result in disqualification.

### **C. EVALUATION & SELECTION PROCESS**

This request for proposal does not commit the Town of Glastonbury to award a contract or to pay any costs incurred in the preparation of a proposal to this request. All proposals submitted in response to this request for proposal become the property of the Town of Glastonbury. The Town of Glastonbury reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with the selected respondents, the right to extend the contract for an additional period, or to cancel in part or in its entirety the request for proposal, and to waive any informality if it is in the best interests of the Town to do so.

Proposals and qualifications statements will be reviewed to determine a short list of individuals or firms to be invited for interview. Based on results of the interview process, selected firms will be asked to submit a detailed fee proposal based on a specific scope of services.

### **D. TIMELINE**

The following schedule is anticipated. The Town intends to adhere to this schedule as closely as possible but reserves the right to modify the schedule in the best interest of the Town as required.

Publicize RFP	May 13, 2011
RFP Due Date	June 2, 2011, by 11:00 a. m.
Shortlist of Proposals Received	June 6, 2011
Interviews with Top Respondents	On or about June 9, 2011
Fee Proposal and Scope of Services	June 13, 2011
Contract Effective Date	July 1, 2011

ATTACHMENT A



TOWN OF GLASTONBURY

PROPOSAL RPGL # 2011-28  
DATE ADVERTISED May 13, 2011 DATE/ TIME DUE June 2, 2011  
11:00 AM

DESCRIPTION PROFESSIONAL SERVICES PROCUREMENT NOTICE  
ACTUARIAL VALUATION SERVICES FOR TOWN'S  
RETIREMENT INCOME PLAN

Insert this completed form in respondent's proposal

**CODE OF ETHICS:**

I / We have reviewed a copy of the Town of Glastonbury's Code of Ethics and agree to submit a Consultant Acknowledgement Form if I /We are selected. Yes \_\_\_\_\_ No \_\_\_\_\_ \*

\*Agent is advised that effective August 1, 2003, the Town of Glastonbury cannot consider any bid or proposal where the Agent has not agreed to the above statement.

_____	_____
Type or Print Name of Individual	Doing Business as (Trade Name)
_____	_____
Signature of Individual	Street Address
_____	_____
Title	City, State, Zip Code
_____	_____
Date	Telephone Number / Fax Number
_____	_____
E-mail Address	SS # or TIN#

**ATTACHMENT B**

**TOWN OF GLASTONBURY  
PROFESSIONAL SERVICES PROCUREMENT NOTICE  
ACTUARIAL VALUATION SERVICES FOR TOWN'S RETIREMENT INCOME PLAN  
RPGL- 2011-28**

**NON-COLLUSION STATEMENT**

The company submitting this proposal certifies that it is being submitted without any collusion, communication or agreement as to any matter relating to it with any other respondent or competitor. We understand that this proposal must be signed by an authorized agent of our company to constitute a valid proposal.

Date: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Name and Title of Agent: \_\_\_\_\_

By (SIGNATURE): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

**ATTACHMENT C**

January 1, 2010  
Actuarial Valuation Report  
Town of Glastonbury  
Retirement Income Plan

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## IMPORTANT FACTS

This report summarizes valuation results for the Town of Glastonbury Retirement Income Plan based upon actuarial valuations as of January 1, 2009 and January 1, 2010.

	January 1, 2009	January 1, 2010
<b>1. Contributions</b>		
· Town Contribution	\$5,054,637	\$4,930,505
· Estimated Employee Contributions	\$972,098	\$924,816
<b>2. Pension Plan Asset Information</b>		
· Actuarial Value of Assets	\$77,835,016	\$89,103,448
· Market Value of Assets	\$64,862,513	\$76,027,916
<b>3. Liability Information</b>		
· Present Value of Projected Benefits	\$129,567,655	\$138,542,355
· Unfunded Actuarial Accrued Liability	\$0	\$0
· Present Value of Vested Accrued Benefits	\$86,388,970	\$93,671,094
<b>4. Participant Information</b>		
· Active Participant Life Count	464	459
· Total Participant Life Count	792	800
· Total Covered Payroll	\$24,409,943	\$24,923,408

## **CHANGES SINCE LAST YEAR'S VALUATION**

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### **Actuarial Assumptions**

The investment return assumption has been changed from 8.00% to 7.75%, compounded annually, net of investment fees and contract fees.

### **Pension Plan**

There have been no changes in the Town of Glastonbury Retirement Income Plan recognized in this actuarial valuation.

### **Gain / (Loss)**

Actuarial gains and losses are recognized with each valuation by routine application of the Actuarial Cost Method. For this spread gain cost method, actuarial gains and losses are spread over future normal costs.

### **Funding Method**

The asset valuation method was changed to a Deferred Recognition Method without phase-in.

### **Demographics**

Total participant life count increased 1.0% from last year to this year. Active participant life count decreased 1.1% from last year to this year.

### **New Legislation**

There have been no significant changes made to the pension code during the previous year affecting governmental plans.

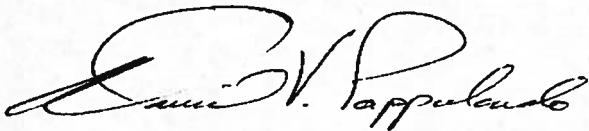
## ENROLLED ACTUARY CERTIFICATION

This report has been prepared for the plan sponsor and it summarizes the results of the Funding Actuarial Valuation.

This report relies on the census data submitted to us by the plan sponsor, as summarized in "Participant Data", and the retirement plan provisions as outlined in "Plan Provisions". It also relies on the plan asset information as described in "Statement of Net Assets Available for Benefits". Appropriate tests for consistency and reasonableness have been completed on the information relied on.

The liabilities and costs were determined using the method summarized in "Actuarial Cost Method" and the actuarial assumptions described in "Plan Assumptions". The actuarial assumptions have been approved by the Town.

This report was completed in accordance with generally accepted actuarial standards and procedures and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries. The undersigned credentialed actuary meets the Qualification standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.



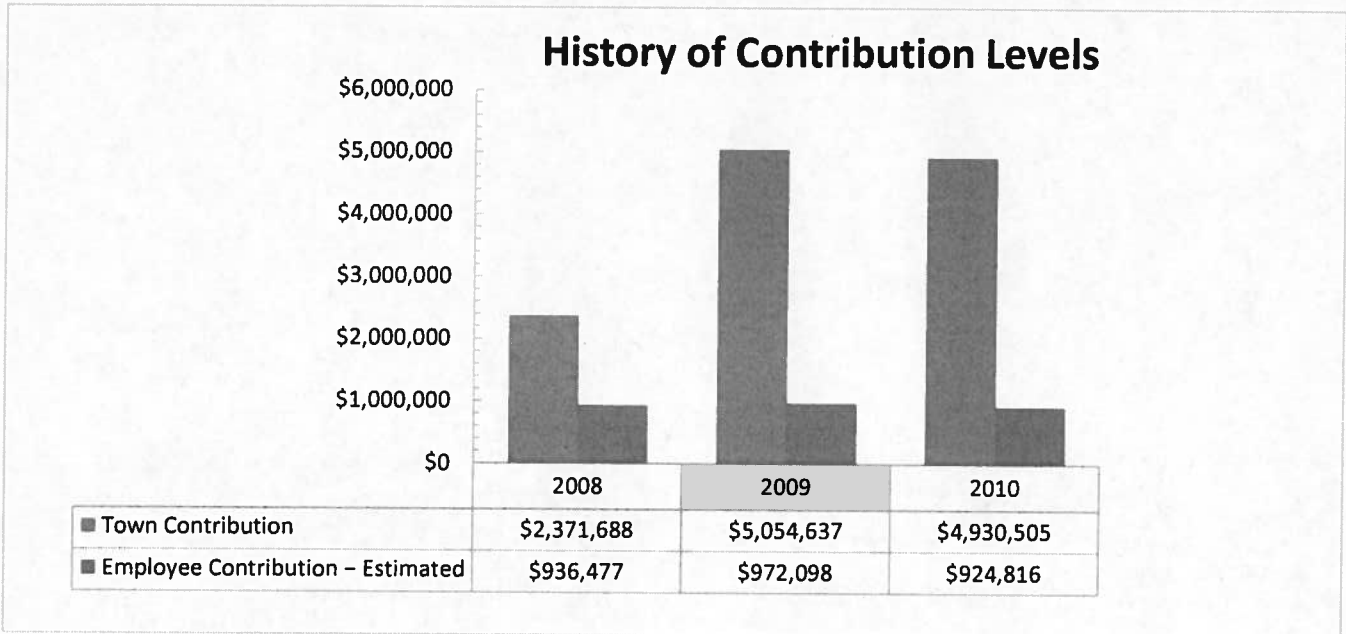
David V. Pappalardo, F.S.A., E.A., F.C.A., M.A.A.A.  
Assistant Vice President and Consulting Actuary  
Prudential Retirement  
P. O. Box 2975  
Hartford, CT 06104  
860 534 2262

Assisted By:

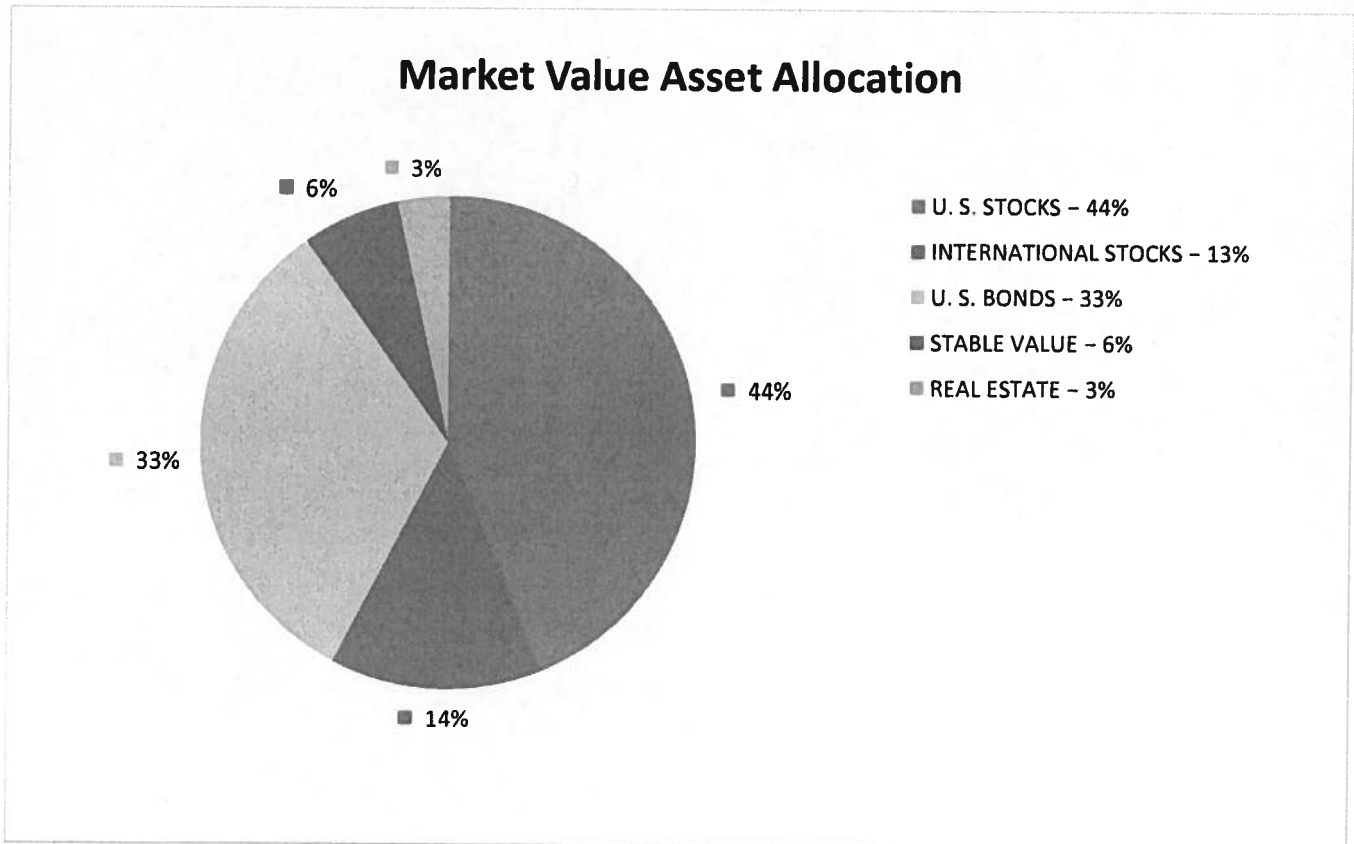


Colleen Sweeney  
Senior Actuarial Associate  
Prudential Retirement  
P. O. Box 2975  
Hartford, CT 06104  
860 534 2048





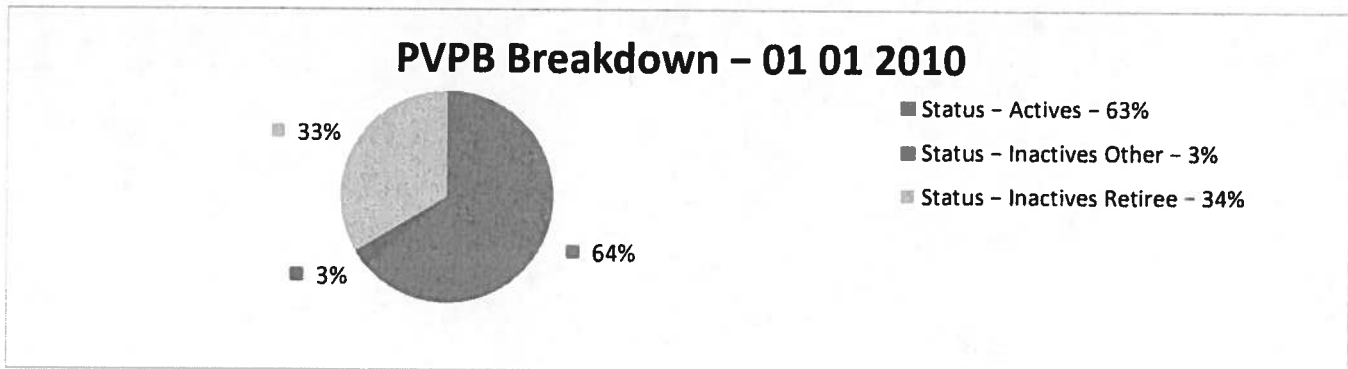
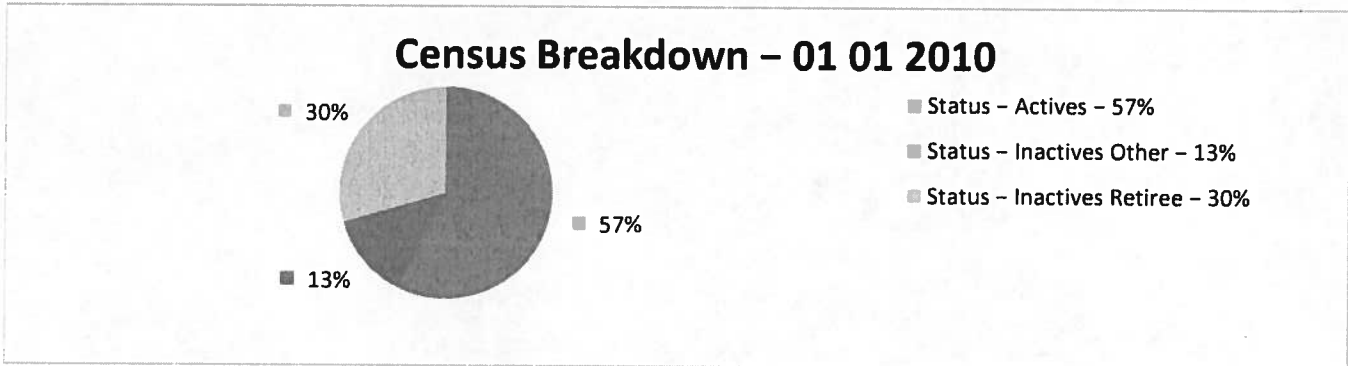
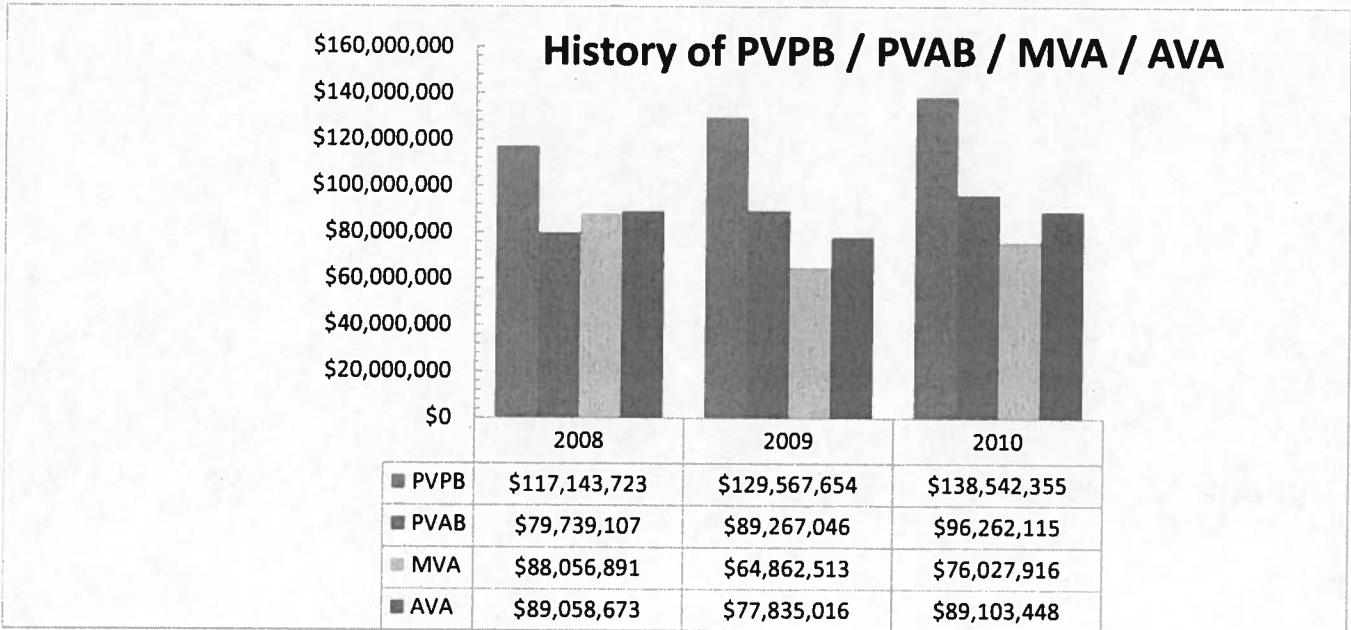
The following graph illustrates how plan assets were invested as of January 1, 2010. Please refer to page AD – 01 for an accounting of actual fund values as of January 1, 2010 and as of January 1, 2009. The Market Value of Assets as of January 1, 2010 was \$76,027,916.



**FUNDED STATUS AND CENSUS / LIABILITY BREAKDOWN**

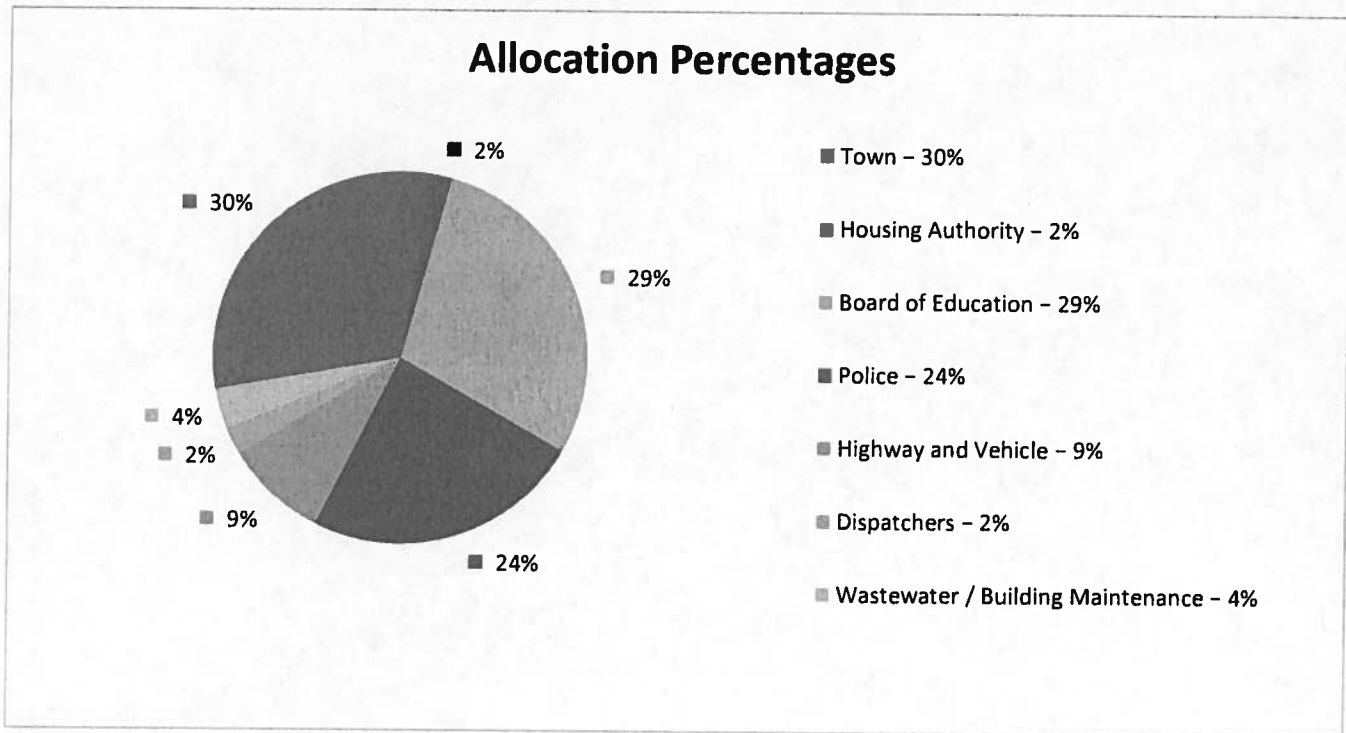
PVPB – Present Value of Projected Benefits  
 PVAB – Present Value of Accrued Benefits

MVA – Market Value of Assets  
 AVA – Actuarial Value of Assets



## DIVISIONAL ALLOCATION OF CONTRIBUTIONS

The following percentages may be used to allocate contributions to each division. These percentages are based on the ratio of the present value of projected benefits for the actives in each division to the total present value of projected benefits for all active employees. While this is an approximate method, we believe it is equitable on an overall basis.



DIV	Town Annual Contribution	Payroll	Active PVPB	Division Contribution Payroll Percentage
Town	\$1,492,353	\$7,511,159	\$26,703,783	19.87%
Housing Authority	87,719	565,313	1,569,626	15.52%
Board of Education	1,430,746	8,983,531	25,601,410	15.93%
Police	1,186,178	4,489,385	21,225,164	26.42%
Highway and Vehicle	437,538	1,905,123	7,829,191	22.97%
Dispatchers	120,050	526,977	2,148,151	22.78%
Wastewater / Building Maintenance	175,922	941,918	3,147,898	18.68%
<b>Total</b>	<b>\$4,930,505</b>	<b>\$24,923,406</b>	<b>\$88,225,223</b>	



**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

Market / Actuarial Value of Assets	January 1, 2009	January 1, 2010
Dryden S and P 500 Index	\$8,590,872.02	\$10,864,422.74
Large Cap Growth / Turner Investment	5,193,834.90	7,163,634.61
Large Cap Value / LSV Asset Mgmt	5,769,212.85	7,147,582.99
Mid Cap Growth / Artisan Partner	1,311,087.34	1,986,545.79
Mid Cap Value / Wellington	1,404,199.24	2,001,855.89
Small Cap Growth / Times Square	1,632,044.62	2,262,269.18
Small Cap Value / TS&W	1,463,759.30	1,613,612.07
International Growth / Artisan	2,031,154.05	2,872,122.47
International Value / LSV	1,984,544.45	2,574,245.00
International Blend / Munder Capital	4,070,628.62	5,030,790.22
Core Plus Bond / PIMCO Fund	10,546,378.31	12,026,610.78
Long Duration Bond / IR&M Fund	11,674,817.66	12,598,383.10
Guar Dep Acct at Contract Value	5,214,329.04	4,819,294.43
CIGNA Open End Real Estate	2,582.97	2,574.97
PRISA	3,973,068.06	2,583,855.13
Receivables – Investment Income	0.00	0.00
Receivables – Employee Contributions	0.00	0.00
Receivables – Employer Contributions	0.00	521,596.00
Payables	0.00	0.00
Market Value of Assets – Unrounded	\$64,862,513.43	\$76,027,915.70
Market Value of Assets – Rounded	\$64,862,513.00	\$76,027,916.00
Actuarial Value of Assets	\$77,835,016.00	\$89,103,447.80

**DETERMINATION OF ACTUARIAL VALUE OF ASSETS – January 1, 2010**

Market Value \$76,027,916

<u>Plan Year</u>	<u>(Gain)/Loss</u>	<u>Percent Recognized</u>	<u>Percent Deferred</u>	<u>Deferred (Gain)/Loss</u>
2009	5,572,965	20%	80%	4,458,372
2008	(29,440,852)	40%	60%	(17,664,511)
2007	(1,113,155)	60%	40%	(445,262)
2006	2,879,347	80%	20%	575,869
				(13,075,532)

Preliminary Actuarial Value of Assets as of January 1, 2010: \$89,103,448

Corridor Limit of 120% of Market Value: \$91,233,499

Actuarial Value of Assets as of January 1, 2010: \$89,103,448



**RETURN ON PLAN ASSETS AND CONTRIBUTIONS PAID**

Illustrated below are the rate of return during the 2009 plan year on the market value of assets, the rate of return during the 2009 plan year on the actuarial value of assets and an accounting of contributions paid during the 2009 plan year.

**1. MARKET VALUE OF ASSETS**

A. Market Value Of Assets – January 1, 2009	\$64,862,513
B. 2009 Plan Year Contributions	5,029,923
C. 2009 Plan Year Distributions	-4,557,312
D. 2009 Plan Year Investment Income	10,692,792
 E. Market Value Of Assets – January 1, 2010: A + B + C + D	 \$76,027,916
F. 2009 Plan Year Rate Of Return	16.43%

**2. ACTUARIAL VALUE OF ASSETS**

A. Actuarial Value Of Assets – January 1, 2009	\$77,835,016
B. 2009 Plan Year Contributions	5,029,923
C. 2009 Plan Year Distributions	-4,557,312
D. 2009 Plan Year Investment Income	10,795,821
 E. Actuarial Value Of Assets – January 1, 2010: A + B + C + D	 \$89,103,448
F. 2009 Plan Year Rate Of Return	13.83%

**3. 2009 PLAN YEAR CONTRIBUTIONS**

MONTH	EMPLOYER	EMPLOYEE
01 2009	\$0.00	\$88,285.42
02 2009	0.00	104,451.91
03 2009	0.00	76,855.28
04 2009	0.00	76,898.67
05 2009	0.00	74,176.42
06 2009	0.00	123,893.57
07 2009	0.00	54,963.32
08 2009	0.00	78,863.76
09 2009	3,481,161.00	81,597.93
10 2009	0.00	131,514.60
11 2009	0.00	53,873.00
12 2009	0.00	81,792.22
06 2010	521,596.00	0.00
 TOTAL	 \$4,002,757.00	 \$1,027,166.10





## LIFE COUNT AND DATA RECONCILIATION

COL 1 – Actives  
 COL 2 – Vested Terminations  
 COL 3 – Inactives  
 COL 4 – Disableds  
 COL 5 – Retirees  
 COL 6 – Total

Description	COL 1	COL 2	COL 3	COL 4	COL 5	COL 6
Participants – January 1, 2009	464	86	7	1	234	792
New Participants	24	0	0	0	0	24
Transfer In Status	0	0	0	0	0	0
Vested Term	-17	17	0	0	0	0
Non – Vested Term	0	0	0	0	0	0
Inactive	-1	0	1	0	0	0
Disabled	0	0	0	0	0	0
Retired	-7	-3	0	0	10	0
Cash Out	-6	-2	0	0	0	-8
Death	0	0	0	0	-7	-7
Data Adjustments	2	-1	0	0	-1	0
Expired Payments	0	0	0	0	-1	-1
Participants – January 1, 2010	459	97	8	1	235	800
Average Ages – Active Eligible Participants	January 1, 2009			January 1, 2010		
Average Age – Participation	36.87			37.06		
Average Age – Attained	50.08			50.58		
PAYROLL ACTIVE ELIGIBLE PARTICIPANTS	January 1, 2009			January 1, 2010		
Average – Participants < Assumed Retirement Age	\$49,706			\$51,432		
Total – Participants < Assumed Retirement Age	\$21,671,799			\$22,012,959		
Total – Participants All	\$24,409,943			\$24,923,408		

**PRESENT VALUE OF PROJECTED PLAN BENEFITS / ACTUARIAL ACCRUED LIABILITY**

1. Present Value of Projected Benefits	January 1, 2009	January 1, 2010
Discount Rate	8.00%	7.75%
Actives – Retirement	\$75,203,120	\$80,940,188
Actives – Pre Retirement – Withdrawal	834,662	909,485
Actives – Pre Retirement – Spouse	2,471,761	2,517,366
Actives – Pre Retirement – Disability	3,697,838	3,858,184
Actives – Pre Retirement – Other	0	0
 Actives – Total	 \$82,207,381	 \$88,225,223
Inactives – Retirees	\$44,290,810	\$46,532,117
Inactives – Vested Terms	3,004,586	3,722,384
Inactives – Disableds	60,610	60,110
Inactives – Other	4,267	2,522
 Inactives – Total	 \$47,360,273	 \$50,317,133
 Total	 \$129,567,654	 \$138,542,356
 2. Actuarial Accrued Liability	 January 1, 2009	 January 1, 2010
Discount Rate	8.00%	7.75%
Actives – Retirement	\$55,775,984	\$60,304,986
Actives – Pre Retirement – Withdrawal	-193,688	-169,093
Actives – Pre Retirement – Spouse	1,525,165	1,539,369
Actives – Pre Retirement – Disability	2,045,624	2,124,008
Actives – Pre Retirement – Other	0	0
 Actives – Total	 \$59,153,085	 \$63,799,270
Inactives – Retirees	\$44,290,810	\$46,532,117
Inactives – Vested Terms	3,004,586	3,722,384
Inactives – Disableds	60,610	60,110
Inactives – Other	4,267	2,522
 Inactives – Total	 \$47,360,273	 \$50,317,133
 Total	 \$106,513,358	 \$114,116,403



## DETERMINATION OF ACTUARIAL GAIN / (LOSS) DURING THE PRECEDING PLAN YEAR

The actuarial gain / (loss) is not explicitly determined and amortized under the cost method used for your plan, but rather is implicitly spread over future employer normal costs. However, in order to give you one measure of the magnitude of the deviation of actual plan experience from expected plan experience, we have included the development of the gain / (loss).

### Total Gain / (Loss) During Preceding Plan Year

A. Actuarial Accrued Liability – January 1, 2009	\$106,513,360
B. Actuarial Value of Assets – January 1, 2009	77,835,016
C. Unfunded Actuarial Accrued Liability – January 1, 2009 : A – B	28,678,344
D. Interest On C At 8.00%	2,294,268
E. Employer Entry Age Normal Cost – January 1, 2009: Footnote 1	1,541,189
F. Interest On E At 8.00%	123,295
G. Employer Contributions With Interest – 2009 Plan Year	4,070,384
H. Expected Unfunded Actuarial Accrued Liability: C + D + E + F – G: Footnote 2	28,566,712
I. Actuarial Accrued Liability – January 1, 2010	113,221,694
J. Actuarial Value of Assets – January 1, 2010	91,233,499
K. Unfunded Actuarial Accrued Liability – January 1, 2010 : I – J	21,988,195
L. Total Gain / (Loss): H – K	\$6,578,517

The total gain / (loss) can be segmented into an asset gain / (loss) and a liability gain / (loss) as follows:

Asset Gain / (Loss)	\$6,784,417
Liability Gain / (Loss)	-\$205,900

The asset gain reflects an actual rate of return on the actuarial value of assets of 13.83% which was greater than the expected rate of return on plan assets, i.e. 8.00%.

#### <sup>1</sup> **Entry Age Normal cost**

Entry Age Normal Cost is the annual cost of projected benefits for all employees who are eligible for funding. Entry Age Normal Cost is determined on a level percentage of payroll basis from entry age – the age at which an employee would have been considered for funding assuming that the plan had always been in effect – to assumed retirement age.

#### <sup>2</sup> **Expected Unfunded Actuarial Accrued Liability**

Expected Unfunded Actuarial Accrued Liability is the expected value of the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets as of the beginning of the plan year.



**PRESENT VALUE OF ACCRUED BENEFITS**

Present Value of Accrued Benefits	Jan 1, 2009 Participants	Jan 1, 2009 Present Value	Jan 1, 2010 Participants	Jan 1, 2010 Present Value
Discount Rate		8.00%		7.75%
<b>Vested Benefits</b>				
Active – Fully Vested	233		247	
Active – Partially Vested	127		96	
Active – Total	360	\$39,028,697	343	\$43,353,961
Inactive – Retiree	234	44,290,810	235	46,532,117
Inactive – Vested Term	86	3,004,586	97	3,722,384
Inactive – Disabled	1	60,610	1	60,110
Inactive – Other	7	4,267	8	2,522
Inactive – Total	328	47,360,273	341	50,317,133
<b>Vested Benefits – Total</b>		<b>86,388,970</b>		<b>93,671,094</b>
<b>Non Vested Benefits – Total</b>		<b>2,878,076</b>		<b>2,591,021</b>
<b>Total Present Value of Accrued Benefits</b>		<b>89,267,046</b>		<b>96,262,115</b>

The actuarial assumptions used in calculating the Present Value of Accumulated Plan Benefits are described in "Plan Assumptions", with the exception that no assumption for future salary increase has been used.

Assets and liabilities presented in this report are based on an "ongoing plan" assumption. Therefore, the values shown in this report should not be used to represent the plan's funded status in the event of a plan termination, a merger, a spin-off, a transfer of liabilities or a settlement of benefit obligations.

**Reconciliation of Present Value of Accrued Benefits**

Present Value as of January 1, 2009	\$89,267,047
Interest at 8.00%	7,141,364
Distributions – Weighted Interest	-4,736,098
Benefits Accumulated	3,893,761
Assumption Change(s)	696,041
Present Value of Accumulated Plan Benefits as of January 1, 2010	\$96,262,115



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DEVELOPMENT OF TOWN CONTRIBUTION

A. Total Present Value of Projected Benefits	\$138,542,355
B. Present Value of Future Employee Contributions	7,563,314
C. Actuarial Value of Assets	89,103,448
D. Present Value of Future Employer Contributions: $A - B - C$	41,875,593
E. Present Value of Future Earnings	206,410,993
F. Total Covered Payroll: Active < Assumed Retirement Age	22,012,959
G. Estimated Expenses	110,000
H. Employer Contribution – Beginning of Year: $(D + E) \times F + G$	4,575,875
I. Interest	354,630
J. Employer Contribution – End of Year: $H + I$	4,930,505

I. ACTUARIAL COST METHOD

Cost have been computed in accordance with the Aggregate Actuarial Cost Method and reflect the actuarial assumptions described in the "Actuarial Assumptions" section of this report.

NORMAL COST

The Normal Cost is determined by calculating the excess of the present value of projected benefits over the funds available to the Plan and spreading the amount over the future active service of the participants.

II. ASSET VALUATION METHOD

Funds have been valued in accordance with generally accepted procedures as described below. Funds are valued in the following manner:

DEFINITIONS

- i assumed growth rate, set equal to the expected return on assets.
- C(t) sum of contributions and other additions to the funds in plan year t from all sources other than investment transactions.
- W(t) sum of withdrawals and other subtractions to the funds in plan year t from all sources other than investment transactions.
- AV(t) Actuarial Value of Assets as of plan year t.
- MV(t) Market Value of Assets as of plan year t.
- EV(t) Expected Value of Assets as of plan year t.
- G/L(t) Gain or Loss for Plan Year t

METHOD

Deferred Recognition Method, without phase-in, effective January 1, 2010. AV(t) is determined as follows:

$$EV(t) = MV(t-1) * (1+i) + [ C(t-1) - W(t-1) ] * (1+i*m)$$

where m represents a proportionate yield consistent with the portion of the year for which C and W are invested.

$$G/L(t-1) = EV(t) - MV(t)$$

$$AV(t) = MV(t) + 4/5 * G/L(t-1) + 3/5 * G/L(t-2) + 2/5 * G/L(t-3) + 1/5 * G/L(t-4)$$

CORRIDOR LIMITS

The resulting actuarial value of assets may not be less than 80% of the current market value of plan assets and may not be greater than 120% of the current market value of plan assets.



ACTUARIAL ASSUMPTIONS

Assumptions have been chosen to anticipate the long range experience of the plan. Consistency among assumptions is important as each interacts with the others. Equally important is the recognition of inflationary trends in the economy.

The actuarial assumptions used to measure plan liabilities were:

**Mortality**                      Male      RP 2000 Static Mortality Table – Male  
    Female      RP 2000 Static Mortality Table – Female

**Termination**                      The probability that a participant at the indicated age will terminate is ...

Age	Male	Female	Age	Male	Female
20	10.0%	15.0%	40	3.0%	5.0%
25	10.0%	15.0%	45	1.5%	2.5%
30	7.5%	10.0%	50 +	0.0%	0.0%
35	5.0%	7.5%			

This is Prudential Term Scale A.

**Retirement Age**                      Non Police

Age 65. Participants at or beyond this age are assumed to retire immediately

Police

Age 55 with 20 years of Service.

**Investment Return**                      7.75% per annum, compounded annually, net of investment and contract fees.

**Administrative Fees**                      Administrative Fees expected to be paid from plan assets; \$110,000 for 2010.

**Salary Scale**                              Salaries are assumed to increase at an annual rate of 4.50%.

The salary at retirement bears the following relationship to the current salary of a participant at the indicated age.

Age	Ratio	Age	Ratio
20	7.25	45	2.41
25	5.82	50	1.94
30	4.67	55	1.55
35	3.75	60	1.25
40	3.01	65 +	1.00



**Social Security**

Primary Insurance Amount

Projections are based on the automatic escalators presently built into Social Security legislation. The average wage base is assumed to increase at a rate of 4.00% per year and the cost of living which affects the Social Security benefit formula is assumed to increase at a rate of 4.00% per year.

Taxable Wage Base

Projections are based on the automatic escalators presently built into Social Security legislation. It is assumed that the Taxable Wage Base will increase at a rate 4.00% per year. The table based on a Taxable Wage Base of \$106,800 has been used.

**Survivor's Benefit**

It is assumed that husbands are 3 years older than wives and that 90% of the male participants and 60% of the female participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

**Disability**

The 1952 Disability Study of the Society of Actuaries, Period 2, Benefit 5 rates were used.

**Cost of Living Benefit**

Benefits after retirement are assumed to increase at the rate of 3% per year. This is consistent with inflationary elements inherent in the interest and salary assumptions. In addition, the ultimate benefit level is maximized at 150% of the original benefit level at retirement for "non police" participants. There is no maximum for "police" participants who retire after July 1, 1987.

**Service Connected Disability**

It is assumed the 50% of the police officers who become disabled will have a Service Connected Disability.



### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

### **Average Annual Earnings**

The highest average Earnings received in any five consecutive Earnings Computation Periods during the Participant's period of Credited Service in which his Earnings were highest and dividing the aggregate of such five years Earnings by 5.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

If a Participant became covered under the Plan prior to January 1, 1983, his Normal Retirement Date is the day on which he attains age 65.

If a participant become covered under the plan on or after January 1, 1983, his Normal Retirement Date is the day on which he attains age 65, or, if later, the earlier of the day on which the participant complete ten years of Service or the tenth anniversary of the participant's participation commencement date.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.



PLAN PROVISIONS – DIVISION 001 – ALL OTHER TOWN EMPLOYEES

**Benefit Formula**

$[1.75\% \times \text{Average Annual Earnings} + 0.50\% \times (\text{Average Annual Earnings} - \$15,000)] \times \text{Credited Service}$

Minimum Benefit – Accrued Benefit as of December 31, 1986.

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	Early Retirement Factor
10	49.8%
09	52.9%
08	56.2%
07	60.0%
06	64.0%
05	92.1%
04	93.4%
03	94.8%
02	96.8%
01	98.0%
00	100.0%



**Vesting Schedule**

Years of Service	Vesting Percentage
$00 \leq \text{Years of Service} < 05$	000%
$05 \leq \text{Years of Service} < 06$	050%
$06 \leq \text{Years of Service} < 07$	060%
$07 \leq \text{Years of Service} < 08$	070%
$08 \leq \text{Years of Service} < 09$	080%
$09 \leq \text{Years of Service} < 10$	090%
$10 \leq \text{Years of Service}$	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. attained age 40 with 10 years of Service and
- C. married one full year prior to death.

**Pre Retirement Spouse Benefit – Benefit Formula**

Greater of A or B

- A.  $50.00\% \times \text{Ultimate Benefit} \times \text{Spouse Age Adjustment Factor}$
- B. \$120.00

**Disability Benefit – Eligibility**

- A. actively contributing to the plan and
- B. 10 years of continuous Service and
- C. total disablement.

**Disability Benefit – Benefit Formula – Pre Normal Retirement**

Lesser of A or B Minus Workman's Compensation

- A.  $75\% \times \text{Earnings at date of disability}$
- B. \$15,000

**Disability Benefit – Benefit Formula – Post Normal Retirement**

Lesser of A or B

- A.  $50\% \times$  Earnings at date of disability
- B. \$10,000

**Employee Contributions – Amount**

$3.75\% \times$  Earnings +  $2.25\% \times$  (Earnings – Taxable Wage Base)

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.

**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	05.00%
Lifetime Adjustment	– Maximum	50.00%

### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

### **Average Annual Earnings**

The highest average Earnings received in any five consecutive Earnings Computation Periods during the Participant's period of Credited Service in which his Earnings were highest and dividing the aggregate of such five years Earnings by 5.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

If a Participant became covered under the Plan prior to January 1, 1983, his Normal Retirement Date is the day on which he attains age 65.

If a participant become covered under the plan on or after January 1, 1983, his Normal Retirement Date is the day on which he attains age 65, or, if later, the earlier of the day on which the participant complete ten years of Service or the tenth anniversary of the participant's participation commencement date.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.

**Benefit Formula**

$[1.75\% \times \text{Average Annual Earnings} + 0.50\% \times (\text{Average Annual Earnings} - \$15,000)] \times \text{Credited Service}$

Minimum Benefit – Accrued Benefit as of December 31, 1986

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	Early Retirement Factor
10	49.8%
09	52.9%
08	56.2%
07	60.0%
06	64.0%
05	92.1%
04	93.4%
03	94.8%
02	96.8%
01	98.0%
00	100.0%

**Vesting Schedule**

Years of Service	Vesting Percentage
00 ≤ Years of Service < 05	000%
05 ≤ Years of Service < 06	050%
06 ≤ Years of Service < 07	060%
07 ≤ Years of Service < 08	070%
08 ≤ Years of Service < 09	080%
09 ≤ Years of Service < 10	090%
10 ≤ Years of Service	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. attained age 40 with 10 years of Service and
- C. married one full year prior to death.

**Pre Retirement Spouse Benefit – Benefit Formula**

Greater of A or B

- A.  $50.00\% \times \text{Ultimate Benefit} \times \text{Spouse Age Adjustment Factor}$
- B. \$120.00

**Disability Benefit – Eligibility**

- A. actively contributing to the plan and
- B. 10 years of continuous Service and
- C. total disablement.

**Disability Benefit – Benefit Formula – Pre Normal Retirement Date**

Lesser of A or B Minus Workman's Compensation

- A.  $75\% \times \text{Earnings at date of disability}$
- B. \$15,000

**Disability Benefit – Benefit Formula – Post Normal Retirement Date**

Lesser of A or B

- A.  $50\% \times$  Earnings at date of disability
- B. \$10,000

**Employee Contributions – Amount**

$3.75\% \times$  Earnings +  $2.25\% \times$  (Earnings – Taxable Wage Base)

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.

**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	05.00%
Lifetime Adjustment	– Maximum	50.00%



### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

### **Average Annual Earnings**

The highest average Earnings received in any five consecutive calendar years during the Participant's period of Credited Service in which his Earnings were highest and dividing the aggregate of such five years Earnings by 5.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

If a Participant became covered under the Plan prior to January 1, 1983, his Normal Retirement Date is the day on which he attains age 65.

If a participant become covered under the plan on or after January 1, 1983, his Normal Retirement Date is the day on which he attains age 65, or, if later, the earlier of the day on which the participant complete ten years of Service or the tenth anniversary of the participant's participation commencement date.

### **Social Security – Primary Insurance Amount**

The yearly Primary Insurance Amount for which the participant is estimated to be eligible at age 65 under the Social Security Act as in effect on his Normal Retirement Date, or the date his Service ceases, if earlier. The estimate is based upon the participant's compensation for which he has paid taxes under the Social Security Act. It is assumed that the participant will not receive any future compensation which would be treated as wages for the purpose of the Social Security Act.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.



**PLAN PROVISIONS – DIVISION 003 – BOARD OF EDUCATION EMPLOYEES**

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**Benefit Formula**

2.00% × Final Earnings × Credited Service

Minimum Benefit – Accrued Benefit as of December 31, 1993 –	Non Contract Employees, Nurses and School Food Service Employees
Minimum Benefit – Accrued Benefit as of December 31, 1994 –	Educational Secretaries and Paraprofessional Employees
Minimum Benefit – Accrued Benefit as of June 30, 1996 –	Custodial / Maintenance and General Service Employees

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	Early Retirement Factor
10	49.8%
09	52.9%
08	56.2%
07	60.0%
06	64.0%
05	68.5%
04	73.4%
03	79.0%
02	85.2%
01	92.2%
00	100.0%



**Vesting Schedule**

Years of Service	Vesting Percentage
$00 \leq \text{Years of Service} < 05$	000%
$05 \leq \text{Years of Service} < 06$	050%
$06 \leq \text{Years of Service} < 07$	060%
$07 \leq \text{Years of Service} < 08$	070%
$08 \leq \text{Years of Service} < 09$	080%
$09 \leq \text{Years of Service} < 10$	090%
$10 \leq \text{Years of Service}$	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. attained age 40 with 10 years of Service and
- C. married one full year prior to death.

**Pre Retirement Spouse Benefit – Benefit Formula**

Greater of A or B

- A.  $50.00\% \times \text{Ultimate Benefit} \times \text{Spouse Age Adjustment Factor}$
- B. \$120.00

**Disability Benefit – Eligibility**

- A. actively contributing to the plan and
- B. 10 years of continuous Service and
- C. total disablement.

**Disability Benefit – Benefit Formula – Pre Normal Retirement Date – Non Occupational Cause**

Lesser of A or B Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$



**Disability Benefit – Benefit Formula – Pre Normal Retirement Date – Occupational Cause**

Lesser of [Greater of A or B] and C Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $50.00\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$
- C.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Disability Benefit – Benefit Formula – Post Normal Retirement Date – Non Occupational Cause**

Lesser of A or B Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Disability Benefit – Benefit Formula – Post Normal Retirement Date – Occupational Cause**

Lesser of [Greater of A or B] and C Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $50.00\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$
- C.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Employee Contributions – Amount**

$3.75\% \times \text{Earnings}$

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.

**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	05.00%
Lifetime Adjustment	– Maximum	50.00%

### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

### **Average Annual Earnings**

The highest average Earnings received in any 48 consecutive calendar months during the Participant's period of Credited Service in which Earnings were highest and dividing the aggregate of such 48 months Earnings by 4.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

Effective July 1, 1991, the term Normal Retirement Date shall mean the day on which he attains age 55 or, if earlier, the day on which the Participant completes 25 years of Service.

Effective July 1, 1994, for a Participant with an Hour of Service on or after July 1, 1994, the term Normal Retirement Date shall mean the day on which he attains age 55 or, if earlier, the day on which the Participant completes 20 years of Service or the date the Participant would have completed 20 years of Service if his employment had not ceased.

### **Social Security – Primary Insurance Amount**

The yearly Primary Insurance Amount for which the participant is estimated to be eligible at age 65 under the Social Security Act as in effect on his Normal Retirement Date, or the date his Service ceases, if earlier. The estimate is based upon the participant's compensation for which he has paid taxes under the Social Security Act. It is assumed that the participant will not receive any future compensation which would be treated as wages for the purpose of the Social Security Act.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.



PLAN PROVISIONS – DIVISION 004 – ALL SWORN MEMBERS OF THE POLICE DEPARTMENT

**Benefit Formula**

Pre Social Security Retirement Age – Greater of A or B

- A.  $2.50\% \times \text{Average Annual Earnings} \times \text{Credited Service}$
- B. \$360

Post Social Security Retirement Age – Lesser of C or D

- C. Pre Social Security Retirement Age Benefit
- D.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	NRA 55	NRA 50
10	53.6%	64.0%
09	56.7%	67.6%
08	60.0%	71.2%
07	63.6%	74.8%
06	67.4%	78.4%
05	71.6%	82.0%
04	76.3%	85.6%
03	81.4%	89.2%
02	87.0%	92.8%
01	93.2%	96.4%
00	100.0%	100.0%



**PLAN PROVISIONS – DIVISION 004 – ALL SWORN MEMBERS OF THE POLICE DEPARTMENT**

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**Vesting Schedule**

Years of Service	Vesting Percentage
$00 \leq \text{Years of Service} < 10$	000%
$10 \leq \text{Years of Service}$	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. married one full year prior to death and
- C. death occurs within two years of a Service connected incident.

**Pre Retirement Spouse Benefit – Benefit Formula**

Lesser of A or B

- A.  $002.50\% \times \text{Average Annual Earnings} \times \text{Credited Service at NRD}$
- B.  $075.00\% \times \text{Average Annual Earnings}$

**Disability Benefit – Eligibility – Service Connected Disability**

- A. totally and permanently disabled

**Disability Benefit – Eligibility – Non Service Connected Disability**

- A. attained age 40 and
- B. 10 years of Service

**Disability Benefit – Benefit Formula – Service Connected Disability – Pre Normal Retirement Date**

Lesser of A or B

- A.  $2.50\% \times \text{Average Annual Earnings} \times \text{CS at NRD}$
- B.  $75.00\% \times \text{Average Annual Earnings as of date of disability}$

**Disability Benefit – Benefit Formula – Non Service Connected Disability – Pre Normal Retirement Date**

- A.  $2.50\% \times \text{Average Annual Earnings} \times \text{CS at Disability}$





PLAN PROVISIONS – DIVISION 004 – ALL SWORN MEMBERS OF THE POLICE DEPARTMENT

**Disability Benefit – Benefit Formula – Service Connected Disability – Post Normal Retirement Date**

Lesser of A or B

- A.  $2.50\% \times \text{Average Annual Earnings} \times \text{CS at NRD}$
- B.  $75.00\% \times \text{Average Annual Earnings as of date of disability}$

**Disability Benefit – Benefit Formula – Non Service Connected Disability – Post Normal Retirement Date**

- A.  $2.50\% \times \text{Average Annual Earnings} \times \text{CS at Disability}$

**Employee Contributions – Amount**

$5.00\% \times \text{Earnings} + 1.50\% \times (\text{Earnings} - \text{Taxable Wage Base})$

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.

**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	04.00%	Employment Date	≤ 12 13 2005
Annual Adjustment	– Maximum	03.00%	Employment Date	≥ 12 14 2005
Lifetime Adjustment	– Maximum	50.00%	Retirement Date	≤ 06 30 1987
Lifetime Adjustment	– Maximum	N / A	Retirement Date	≥ 07 01 1987



### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

Effective July 1, 2004, for Employees hired on or after such date, Division 005 shall not include sick leave payments as Earnings.

### **Average Annual Earnings**

The highest average Earnings received in any five consecutive Earnings Computation Periods during the Participant's period of Credited Service in which his Earnings were highest and dividing the aggregate of such five years Earnings by 5.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

If a Participant became covered under the Plan prior to January 1, 1983, his Normal Retirement Date is the day on which he attains age 65.

If a participant become covered under the plan on or after January 1, 1983, his Normal Retirement Date is the day on which he attains age 65, or, if later, the earlier of the day on which the participant complete ten years of Service or the tenth anniversary of the participant's participation commencement date.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.



**Benefit Formula**

$[1.75\% \times \text{Average Annual Earnings} + 0.50\% \times (\text{Average Annual Earnings} - \$15,000)] \times \text{Credited Service}$

Minimum Benefit – Accrued Benefit as of December 31, 1997

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	Early Retirement Factor
10	49.8%
09	52.9%
08	56.2%
07	60.0%
06	64.0%
05	92.1%
04	93.4%
03	94.8%
02	96.8%
01	98.0%
00	100.0%

**Vesting Schedule**

Years of Service	Vesting Percentage
$00 \leq \text{Years of Service} < 05$	000%
$05 \leq \text{Years of Service} < 06$	050%
$06 \leq \text{Years of Service} < 07$	060%
$07 \leq \text{Years of Service} < 08$	070%
$08 \leq \text{Years of Service} < 09$	080%
$09 \leq \text{Years of Service} < 10$	090%
$10 \leq \text{Years of Service}$	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. attained age 40 with 10 years of Service and
- C. married one full year prior to death.

**Pre Retirement Spouse Benefit – Benefit Formula**

Greater of A or B

- A.  $50.00\% \times \text{Ultimate Benefit} \times \text{Spouse Age Adjustment Factor}$
- B. \$120.00

**Disability Benefit – Eligibility**

- A. actively contributing to the plan and
- B. 10 years of continuous Service and
- C. total disablement.

**Disability Benefit – Benefit Formula – Pre Normal Retirement**

Lesser of A or B Minus Workman's Compensation

- A.  $75\% \times \text{Earnings at date of disability}$
- B. \$18,750

**Disability Benefit – Benefit Formula – Post Normal Retirement**

Lesser of A or B

- A.  $50\% \times$  Earnings at date of disability
- B. \$14,000

**Employee Contributions – Amount**

$4.00\% \times$  Earnings +  $1.25\% \times$  (Earnings – Taxable Wage Base)

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.

**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	05.00%	Employment Date	$\leq$ June 30, 2004
Annual Adjustment	– Maximum	00.00%	Employment Date	$\geq$ July 1, 2004
Lifetime Adjustment	– Maximum	50.00%		

### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

### **Average Annual Earnings**

The highest average Earnings received in any five consecutive Earnings Computation Periods during the Participant's period of Credited Service in which his Earnings were highest and dividing the aggregate of such five years Earnings by 5.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

If a Participant became covered under the Plan prior to January 1, 1983, his Normal Retirement Date is the day on which he attains age 65.

If a Participant became covered under the Plan on or after January 1, 1983, but prior to July 1, 1991, his Normal Retirement Date is the day on which he attains age 65 or, if later, the earlier of the day on which the Participant completes 10 years of Service with the Employer or the 10th anniversary of his participation commencement date.

On or after July 1, 1991, a Participant's Normal Retirement Date is the day on which he attains age 62 or, if later the earlier of the day on which the Participant completes 10 years of Service or the 10th anniversary of the Participant's participation commencement date.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.



**Benefit Formula**

$[1.75\% \times \text{Average Annual Earnings} + 0.50\% \times (\text{Average Annual Earnings} - \$15,000)] \times \text{Credited Service}$

Minimum Benefit – Accrued Benefit as of December 31, 1986.

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	Early Retirement Factor
10	49.8%
09	52.9%
08	56.2%
07	60.0%
06	64.0%
05	92.1%
04	93.4%
03	94.8%
02	96.8%
01	98.0%
00	100.0%



**Vesting Schedule**

Years of Service	Vesting Percentage
00 ≤ Years of Service < 05	000%
05 ≤ Years of Service < 06	050%
06 ≤ Years of Service < 07	060%
07 ≤ Years of Service < 08	070%
08 ≤ Years of Service < 09	080%
09 ≤ Years of Service < 10	090%
10 ≤ Years of Service	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. attained age 40 with 10 years of Service and
- C. married one full year prior to death.

**Pre Retirement Spouse Benefit – Benefit Formula**

Greater of A or B

- A.  $50.00\% \times \text{Ultimate Benefit} \times \text{Spouse Age Adjustment Factor}$
- B. \$120.00

**Disability Benefit – Eligibility**

- A. actively contributing to the plan and
- B. 10 years of continuous Service and
- C. total disablement.

**Disability Benefit – Benefit Formula – Pre Normal Retirement – Non Occupational Cause**

Lesser of A or B Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$





**Disability Benefit – Benefit Formula – Pre Normal Retirement – Occupational Cause**

Lesser of [Greater of A or B] and C Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $50.00\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$
- C.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Disability Benefit – Benefit Formula – Post Normal Retirement – Non Occupational Cause**

Lesser of A or B Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Disability Benefit – Benefit Formula – Post Normal Retirement – Occupational Cause**

Lesser of [Greater of A or B] and C Minus Workman's Compensation

- A.  $[1.0\% \times \text{Average Annual Earnings} + 0.67\% \times (\text{Average Annual Earnings} - \$4,800)] \times \text{CS at Disability}$
- B.  $50.00\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$
- C.  $66.67\% \times \text{Average Annual Earnings} - 66.67\% \times \text{Social Security}$

**Employee Contributions – Amount**

$4.00\% \times \text{Earnings} + 2.00\% \times (\text{Earnings} - \text{Taxable Wage Base})$

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.



**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	05.00%
Lifetime Adjustment	– Maximum	50.00%

### **Earnings**

The Earnings of a Participant for any Earnings Computation Period means his basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

Effective July 1, 1994, Division 007 shall not include sick leave payments as Earnings.

### **Average Annual Earnings**

The highest average Earnings received in any five consecutive Earnings Computation Periods during the Participant's period of Credited Service in which his Earnings were highest and dividing the aggregate of such five years Earnings by 5.

### **Service**

All years of Service with the employer, computed to the nearest 1 / 12 of a year, from date of employment to date of termination of employment, retirement date or date of death.

### **Credited Service**

Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which he has made contributions in accordance with the eligibility requirements, computed to the nearest 1 / 12 of a year, excluding any time absent from work due to a qualified disability, and service after age 60 for police officers.

### **Form of Annuity**

Life Annuity

### **Normal Retirement Date**

If a Participant became covered under the Plan prior to January 1, 1983, his Normal Retirement Date is the day on which he attains age 65.

If a participant become covered under the plan on or after January 1, 1983, his Normal Retirement Date is the day on which he attains age 65, or, if later, the earlier of the day on which the participant complete ten years of Service or the tenth anniversary of the participant's participation commencement date.

### **Participation Eligibility**

Completed one year of continuous Service and elects to make Mandatory Employee Contributions.



**Benefit Formula**

2.15% × Average Annual Earnings × Credited Service

- Minimum Benefit – Accrued Benefit as of December 31, 1990
- Maximum Benefit – 70% × Average Annual Earnings – Employees hired > November 29, 2005
- Maximum Benefit – 60% × Average Annual Earnings – Employees hired > June 30, 2008

**Income Payable**

Amount described in sections (A) or (B) below, whichever applies:

- A. If the participant has a spouse as of his retirement date and does not elect otherwise, retirement income shall be paid in the Joint and Survivor form as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- B. If the participant either has no spouse as of his retirement date or elects to receive his retirement income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Retirement – Eligibility**

Ten years early with 10 years of Service

**Early Retirement – Benefit Amount**

Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Years Early	Early Retirement Factor
10	49.8%
09	52.9%
08	56.2%
07	60.0%
06	64.0%
05	92.1%
04	93.4%
03	94.8%
02	96.8%
01	98.0%
00	100.0%



**Vesting Schedule**

Years of Service	Vesting Percentage
00 ≤ Years of Service < 05	000%
05 ≤ Years of Service < 06	080%
06 ≤ Years of Service < 07	090%
07 ≤ Years of Service	100%

**Vested Benefit**

Accrued benefit as of date of termination payable as of Normal Retirement Date, adjusted by the appropriate vesting percentage.

**Pre Retirement Spouse Benefit – Eligibility**

- A. actively contributing to the plan and
- B. attained age 40 with 10 years of Service and
- C. married one full year prior to death.

**Pre Retirement Spouse Benefit – Benefit Formula**

Greater of A or B

- A.  $50.00\% \times \text{Ultimate Benefit} \times \text{Spouse Age Adjustment Factor}$
- B. \$120.00

**Disability Benefit – Eligibility**

- A. actively contributing to the plan and
- B. 10 years of continuous Service and
- C. total disablement.

**Disability Benefit – Benefit Formula – Pre Normal Retirement**

Lesser of A or B Minus Workman's Compensation

- A.  $75\% \times \text{Earnings at date of disability}$
- B. \$18,750

**Disability Benefit – Benefit Formula – Post Normal Retirement**

Lesser of A or B

- A.  $50\% \times \text{Earnings at date of disability}$
- B. \$14,000



**Employee Contributions – Amount**

$3.75\% \times \text{Earnings} + 1.25\% \times (\text{Earnings} - \text{Taxable Wage Base})$

**Employee Contributions – Interest Credited**

6.00%

**Death / Termination Refund – Amount**

Pre Retirement

Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement

Excess of Employee Contributions with interest over annuity payments.

**Cost of Living Adjustment – Eligibility**

Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments.

**Cost of Living Adjustment – Amount**

Annual Adjustment	– Maximum	05.00%	Employment Date	≤ 11 28 2005
Annual Adjustment	– Maximum	02.50%	Employment Date	≤ 06 30 2008
Annual Adjustment	– Maximum	00.00%	Employment Date	≥ 07 01 2008
Lifetime Adjustment	– Maximum	50.00%		