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## TOWN OF WEST HARTFORD PENSION PLAN

### Interim Actuarial Valuation as of July 1, 2014 For Fiscal Year 2015-16

#### Prepared by

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## **Certification**

We have performed an interim actuarial valuation of the Plan as of July 1, 2014 for fiscal year 2015-16. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

In preparing this interim report, we relied on employee census data and financial information as of the prior and current valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

## Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

I further certify that, in my opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impact the objectivity of our work.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



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## Section I - Executive Summary

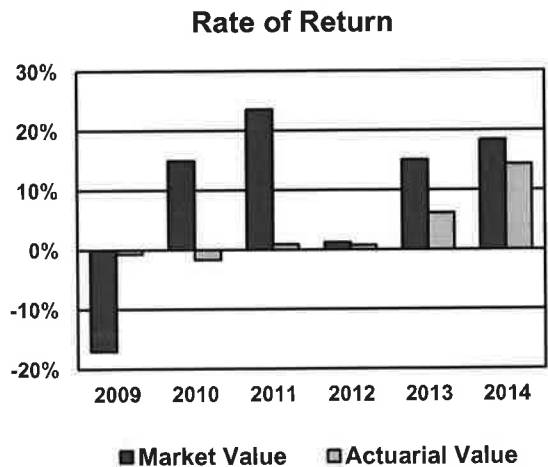
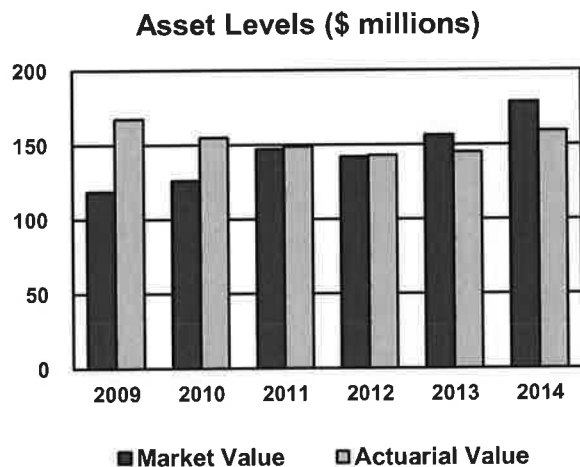
### A. Highlights

#### Assets

There are two different measures of the plan's assets that are used throughout this report. The **Market Value** is a snapshot of the plan's investments as of the valuation date. The **Actuarial Value** is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses over five years.

	Market	Actuarial
Value as of July 1, 2013	\$156,420,260	\$145,028,432
Contributions	18,578,271	18,578,271
Investment Income	28,229,878	20,293,662
Benefit Payments and Administrative Expenses	(24,646,774)	(24,646,774)
Value as of July 1, 2014	178,581,635	159,253,591

During fiscal year 2013-14, the plan's assets earned 18.40% on a Market Value basis and 14.29% on an Actuarial Value basis. The actuarial assumption for this period was 7.950%; the result is an asset gain of \$16.7 million on a Market Value basis and a gain of \$9.0 million on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.



Please note that the Actuarial Value currently is less than the Market Value by \$19.3 million. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

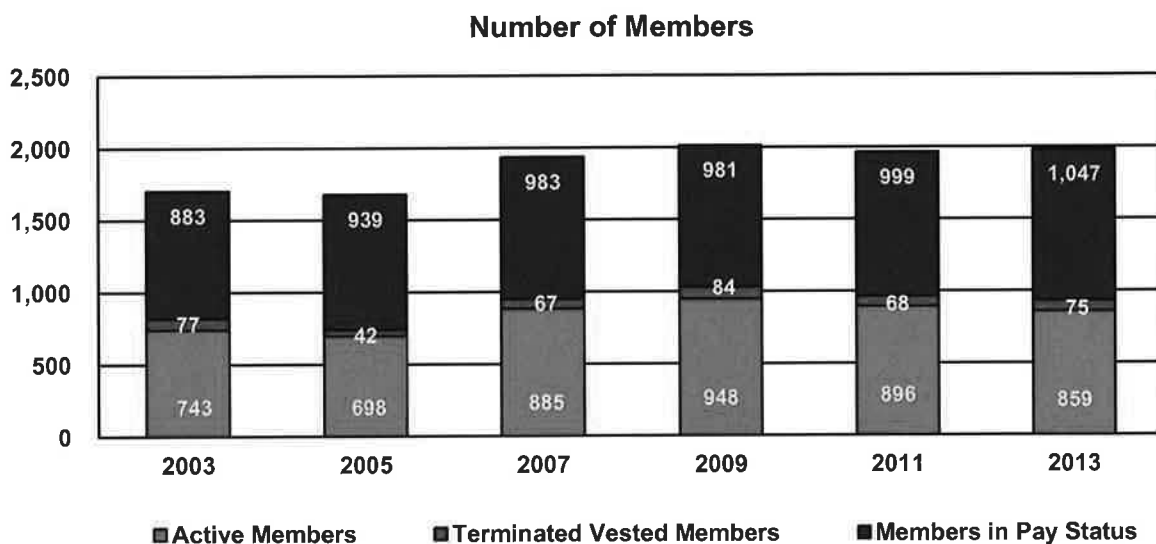
## Section I - Executive Summary

### A. Highlights

#### Membership

Full valuations based on updated membership data are performed in odd-numbered years. The current valuation has been performed on an interim basis, based on membership data from the last full valuation.

There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits. Historically, membership data has been supplied to us every other year for valuation purposes. Some key membership statistics are shown below.



From July 1, 2011 to July 1, 2013, the overall membership increased from 1,963 to 1,981. During this period, A total of 26 active members switched to inactive status, and another 11 active members were cashed out. There were 83 retirements from active status, including 4 disability retirements. In addition, 14 inactive members retired. There were 79 new active members and 68 members who died..

## Section I - Executive Summary

### A. Highlights

#### Changes in Actuarial Assumptions

In order to better reflect anticipated future plan experience, we lowered the expected investment rate from 7.95% to 7.54%. These changes increased the Unfunded Accrued Liability by \$7,220,000 and increased the Actuarially Determined Contribution by \$470,300.

#### Changes in Actuarial Methods

None.

#### Changes in Plan Provisions

Several plan changes were reflected in this valuation:

- Member contributions changed for the following groups:
  - Nurses (07)** - from 3.00% to 5.00%
  - Security (12)** - from 3.00% to 5.00%
  - Professional/Technical (14)** - from 3.00% to 4.25%
  - Part C (61)** - 1% of base pay plus 6.0% of compensation on July 1, 2014, increasing by 0.5% per year up to 7.0% on July 1, 2016
- **Custodial III (10)** hired after October 1, 2012 and **Professional/Technical (14)** hired after October 15, 2013 now have a normal retirement benefit of 1.0% times Final Average Compensation times Credited Service with a maximum of 35 years.
- **Part C (61)** hired after April 1, 2014 have a normal retirement benefit of 2.0% times Final Compensation times Credited Service, where Final Compensation is the highest bi-weekly rate of pay multiplied by 26.089 plus the highest holiday pay. The maximum benefit is 65% of Final Compensation after 30 years of Credited Service. Member contributions are based on wages plus holiday pay only.

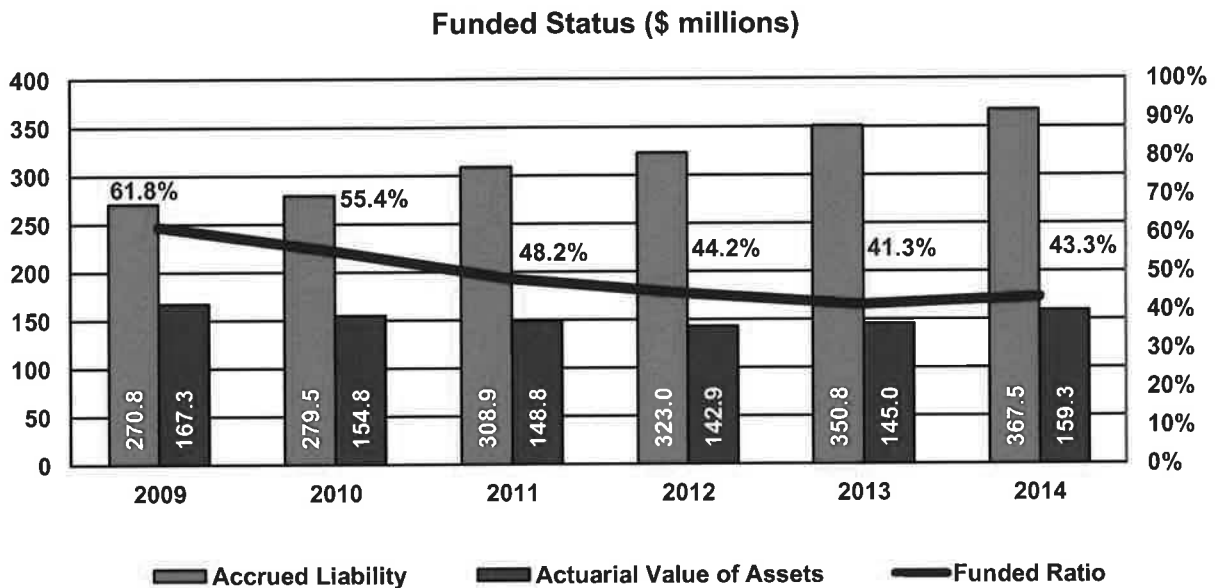
The combined impact of these plan changes was no material impact on the Unfunded Accrued Liability and a decrease in the Actuarially Determined Contribution of \$261,000.

## Section I - Executive Summary

### A. Highlights

#### Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years.





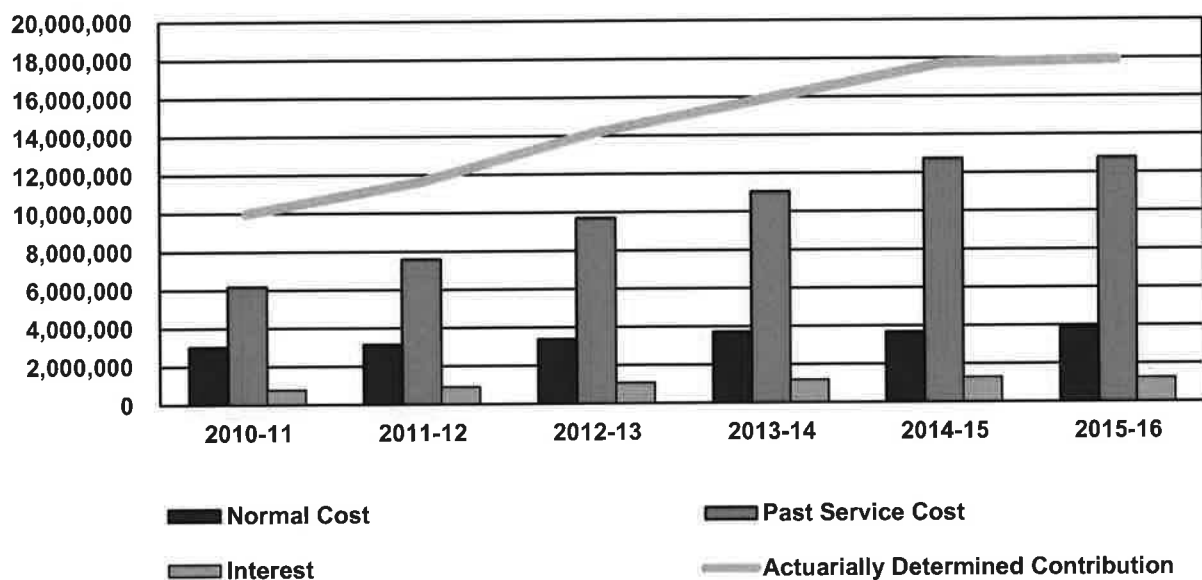
## Section I - Executive Summary

### A. Highlights

#### Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Interest** from the July 1 valuation date to the start of the next fiscal year.

Contribution levels for the current year and the past few fiscal years are shown below.



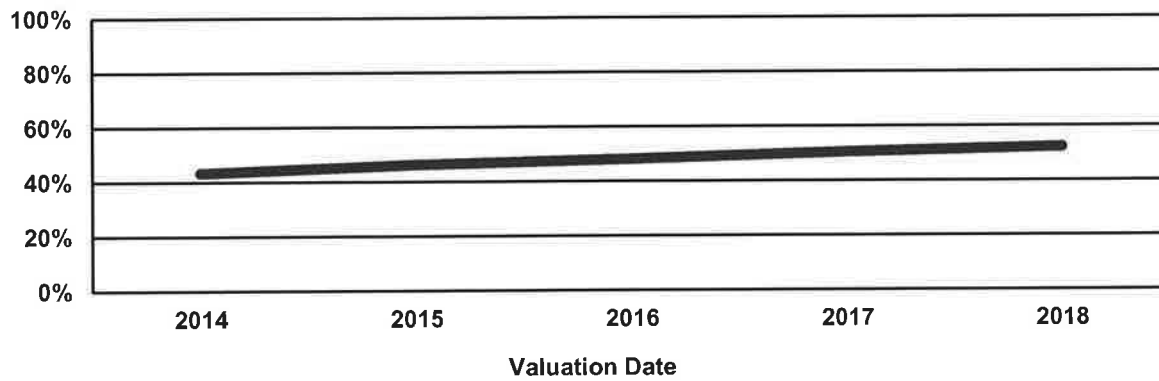
## Section I - Executive Summary

### A. Highlights

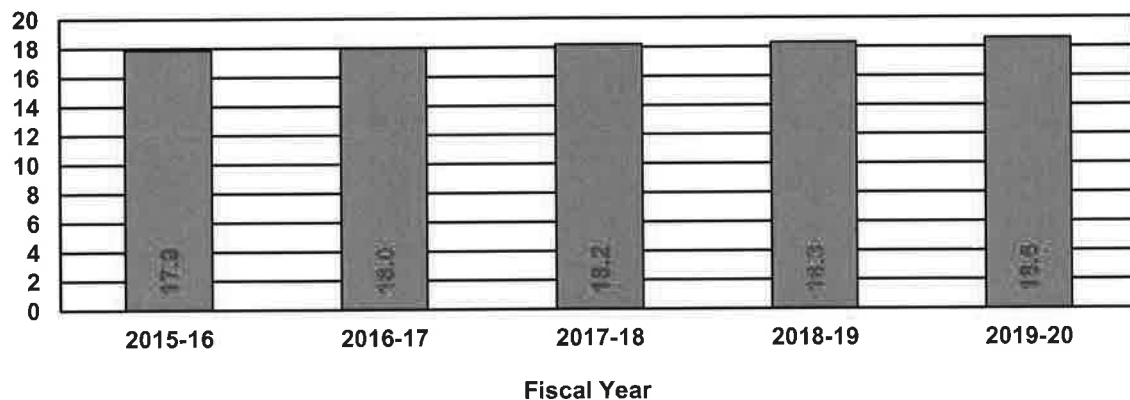
#### Long Range Forecast

Absent any future changes in the plan provisions or the actuarial methods and assumptions, we expect the funded ratio to gradually rise. Growth in the Actuarially Determined Contribution should be moderated by the gradual recognition of market gains from the past several years.

**Funded Ratio**



**Actuarially Determined Contribution (\$ millions)**



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

## Section I - Executive Summary

### B. Summary of Principal Results

<b>Membership</b>	<b>July 1, 2012</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Active Members	N/A	859	N/A
Terminated Vested Members	N/A	75	N/A
Members in Pay Status	N/A	1,047	N/A
Payroll	N/A	\$53,742,387	N/A
<b>Assets and Liabilities</b>	<b>July 1, 2012</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Market Value of Assets	\$141,969,711	\$156,420,260	\$178,581,635
Actuarial Value of Assets	142,935,539	145,028,432	159,253,591
Interest Rate Assumption	8.125%	7.950%	7.540%
Accrued Liability for Active Members	\$150,810,457	\$133,740,331	\$135,293,504
Accrued Liability for Inactive Members	172,213,792	217,029,660	232,188,046
Total Accrued Liability	323,024,249	350,769,991	367,481,550
Unfunded Accrued Liability	180,088,710	205,741,559	208,227,959
Funded Ratio	44.2%	41.3%	43.3%
<b>Actuarially Determined Contribution for Fiscal Year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Normal Cost	\$3,709,581	\$3,674,649	\$3,894,380
Past Service Cost	11,048,635	12,732,818	12,766,232
Interest	1,199,105	1,304,394	1,256,210
Actuarially Determined Contribution	15,957,321	17,711,861	17,916,822

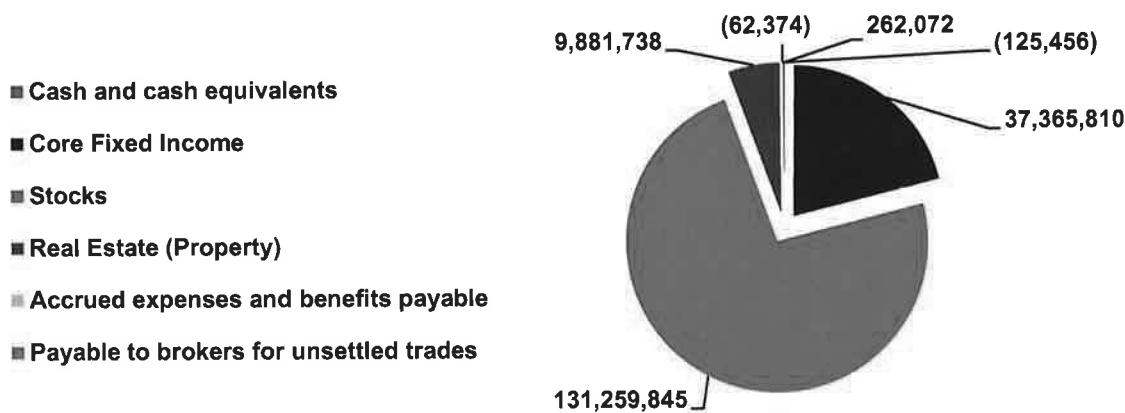
## Section II - Plan Assets

### A. Summary of Fund Transactions

<b>Market Value as of July 1, 2013</b>	<b>\$156,420,260</b>
Employer Contributions	15,957,000
Employee Contributions	2,621,271
Interest & Dividends & Prior Year Adjustments	2,865,820
Miscellaneous Income	(1,932)
Net Appreciation	25,788,008
Benefit Payments (including refunds)	(24,331,913)
Administrative Expenses	(314,861)
Investment Expenses	(422,018)
<b>Market Value as of July 1, 2014</b>	<b>178,581,635</b>
<b>Approximate Rate of Return</b>	<b>18.40%</b>

Note: The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

#### Asset Allocation



In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period. The Actuarial Value of Assets as of July 1, 2014 is determined below.

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## Section III - Development of Contribution

### A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 30 years starting on July 1, 2007.

	Part A Closed	Part B Town/BOE	Part B1 Dispatchers	Part C Fire	Part D Police	Total
1. Accrued Liability						
Active Members	\$0	\$76,132,081	\$1,613,066	\$23,594,161	\$33,954,196	\$135,293,504
Terminated Vested Members	0	1,728,301	0	823	261,873	1,990,997
Terminated Non-Vested Members Due Refund	0	17,031	0	0	0	17,031
Retired Members	1,400,474	90,951,427	86,629	55,894,933	62,888,495	211,221,958
Disabled Members	6,613	2,456,315	0	3,169,187	1,062,148	6,694,263
Beneficiaries of Deceased Members	551,697	2,770,372	0	3,620,617	5,321,111	12,263,797
Total	1,958,784	174,055,527	1,699,695	86,279,721	103,487,823	367,481,550
2. Actuarial Value of Assets (see Section II B)	848,868	75,429,550	736,588	37,390,599	44,847,986	159,253,591
3. Unfunded Accrued Liability: (1) - (2)	1,109,916	98,625,977	963,107	48,889,122	58,639,837	208,227,959
4. Funded Ratio	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
5. Amortization Period	23	23	23	23	23	23
6. Amortization Growth Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
7. Past Service Cost: (3) amortized over (5)	68,048	6,046,653	59,047	2,997,339	3,595,145	12,766,232

Note: The Actuarial Value of Assets has been allocated to the Parts based on their respective Accrued Liability.

**Section III - Development of Contribution  
B. Actuarially Determined Contribution**

	Part A Closed	Part B Town/BOE	Part B1 Dispatchers	Part C Fire	Part D Police	Total
1. Total Normal Cost	\$0	\$2,470,499	\$54,424	\$1,300,200	\$2,020,067	\$5,845,190
2. Expected Employee Contributions	0	969,520	48,741	516,527	740,022	2,274,810
3. Expected Expenses	1,727	153,460	1,499	76,071	91,243	324,000
4. Net Normal Cost: (1) - (2) + (3)	1,727	1,654,439	7,182	859,744	1,371,288	3,894,380
5. Past Service Cost (see Section III A)	68,048	6,046,653	59,047	2,997,339	3,595,145	12,766,232
6. Total Town Contribution as of July 1, 2014: (4) + (5)	69,775	7,701,092	66,229	3,857,083	4,966,433	16,660,612
7. Interest on (6) to July 1, 2015	5,261	580,662	4,994	290,824	374,469	1,256,210
8. Actuarially Determined Contribution: (6) + (7)	75,036	8,281,754	71,223	4,147,907	5,340,902	17,916,822
9. Covered Payroll	0	32,303,411	715,178	8,573,935	14,299,559	55,892,083
10. Actuarially Determined Contribution as a Percentage of Covered Payroll: (8) ÷ (9)	0.00%	25.64%	9.96%	48.38%	37.35%	32.06%

Note: Expected Expenses have been allocated to the Parts based on their respective Accrued Liability.

## Section III - Development of Contribution

### C. Long Range Forecast

This forecast is based on the results of the July 1, 2014 interim actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year. This forecast illustrates the impact of a planned reduction in the interest rate assumption from the current 7.95% to 7.50% by 2015. There are no other future changes in the actuarial methods or assumptions or in the plan provisions.

Values as of the Valuation Date					Cash Flows Projected to the Following Fiscal Year				
Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year	Employer Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
7/1/2014	\$367,481,550	\$159,253,591	\$208,227,959	43.3%	2016	\$17,916,822	\$2,304,887	(\$25,953,208)	(\$5,731,499)
7/1/2015	377,086,000	174,418,000	202,668,000	46.3%	2017	17,980,000	2,340,000	(26,969,000)	(6,649,000)
7/1/2016	384,929,000	185,552,000	199,377,000	48.2%	2018	18,167,000	2,379,000	(27,969,000)	(7,423,000)
7/1/2017	392,289,000	198,235,000	194,054,000	50.5%	2019	18,302,000	2,419,000	(28,958,000)	(8,237,000)
7/1/2018	399,276,000	208,614,000	190,662,000	52.2%	2020	18,582,000	2,455,000	(29,952,000)	(8,915,000)
7/1/2019	405,686,000	215,335,000	190,351,000	53.1%	2021	19,148,000	2,498,000	(30,974,000)	(9,328,000)
7/1/2020	411,608,000	221,846,000	189,762,000	53.9%	2022	19,767,000	2,547,000	(31,976,000)	(9,662,000)
7/1/2021	416,996,000	228,405,000	188,591,000	54.8%	2023	20,398,000	2,601,000	(32,887,000)	(9,888,000)
7/1/2022	421,858,000	235,096,000	186,762,000	55.7%	2024	21,076,000	2,663,000	(33,673,000)	(9,934,000)
7/1/2023	426,235,000	242,045,000	184,190,000	56.8%	2025	21,812,000	2,727,000	(34,368,000)	(9,829,000)
7/1/2024	430,245,000	249,452,000	180,793,000	58.0%	2026	22,589,000	2,780,000	(35,092,000)	(9,723,000)
7/1/2025	433,857,000	257,511,000	176,346,000	59.4%	2027	23,392,000	2,842,000	(35,715,000)	(9,481,000)
7/1/2026	437,254,000	266,272,000	170,982,000	60.9%	2028	24,244,000	2,917,000	(36,181,000)	(9,020,000)
7/1/2027	440,390,000	275,926,000	164,464,000	62.7%	2029	25,141,000	2,987,000	(36,592,000)	(8,464,000)
7/1/2028	443,539,000	286,769,000	156,770,000	64.7%	2030	26,129,000	3,067,000	(36,892,000)	(7,696,000)
7/1/2029	446,688,000	298,986,000	147,702,000	66.9%	2031	27,136,000	3,149,000	(36,773,000)	(6,488,000)
7/1/2030	449,890,000	312,900,000	136,990,000	69.6%	2032	28,219,000	3,226,000	(36,974,000)	(5,529,000)
7/1/2031	453,772,000	329,097,000	124,675,000	72.5%	2033	29,396,000	3,310,000	(37,227,000)	(4,521,000)
7/1/2032	458,060,000	347,487,000	110,573,000	75.9%	2034	30,647,000	3,401,000	(37,434,000)	(3,386,000)
7/1/2033	462,505,000	368,286,000	94,219,000	79.6%	2035	32,008,000	3,502,000	(37,604,000)	(2,094,000)

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.



**Section IV - Accounting Information**  
**A. Notes to Required Supplementary Information**

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

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<b>Valuation Date</b>	July 1, 2014
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level percent
<b>Amortization Period</b>	Closed 30 years from July 1, 2007
<b>Asset Valuation Method</b>	5 Year Smoothed Market Value
<b>Actuarial Assumptions</b>	
Investment Rate of Return	7.54%
Projected Salary Increases	6.00% to 2.80% based on age
Amortization Growth Rate	4.00%
Inflation	2.50%
Cost-of-Living Adjustments	Various fixed rates per Plan provisions

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**Section IV - Accounting Information**  
**B. Historical Schedule of Funding Progress**

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAAL)	Funded Ratio (1) / (2)	Covered Payroll	UAAAL as a Percentage of Covered Payroll (3) / (5)
For Fiscal Year						
01/01/2005	\$171,643,605	\$215,630,582	\$43,986,977	79.6%	\$38,533,077	114.2%
01/01/2006	166,423,481	221,165,207	54,741,726	75.2%	40,074,400	136.6%
07/01/2007	179,479,461	237,380,487	57,901,026	75.6%	48,106,718	120.4%
07/01/2008	178,201,385	244,095,311	65,893,926	73.0%	50,030,986	131.7%
07/01/2009	167,267,565	270,814,175	103,546,610	61.8%	53,028,380	195.3%
07/01/2010	154,824,640	279,485,437	124,660,797	55.4%	55,149,515	226.0%
07/01/2011	148,815,901	308,851,572	160,035,671	48.2%	55,078,322	290.6%
07/01/2012	142,935,539	323,024,249	180,088,710	44.2%	57,281,455	314.4%
07/01/2013	145,028,432	350,769,991	205,741,559	41.3%	53,742,387	382.8%
07/01/2014	159,253,591	367,481,550	208,227,959	43.3%	55,892,083	372.6%

Note: Valuations for even years have been performed on an interim basis. Plan liabilities and covered payroll have been projected using the prior valuation data. Actual assets as of the valuation date have been used for all years.

## Section IV - Accounting Information

### C. Schedule of Employer Contributions

	(1)	(2)	(3)	(4)	(5)
Fiscal Year Ending June 30	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Deficiency/ (Excess) (1) - (2)	Covered Payroll	Contribution as a Percentage of Covered Payroll (2) / (4)
2007	\$5,942,127	\$5,942,128	(\$1)	\$38,533,077	15%
2008	6,000,560	6,100,000	(99,440)	40,074,400	15%
2009	6,812,649	6,812,000	649	48,106,718	14%
2010	7,480,924	7,480,000	924	50,030,986	15%
2011	10,002,426	10,000,000	2,426	53,028,380	19%
2012	11,647,917	11,648,000	(83)	55,149,515	21%
2013	14,166,985	14,167,000	(15)	55,078,322	26%
2014	15,957,321	15,957,000	321	57,281,455	28%
2015	17,711,861	TBD	TBD	53,742,387	TBD
2016	17,916,822	TBD	TBD	55,892,083	TBD

## Section IV - Accounting Information

### D. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries. These values are only determined on full valuation dates.

	As of July 1, 2011	As of July 1, 2013
1. Value of Vested Benefits		
Active Members	\$87,495,545	\$91,135,684
Terminated Non-Vested Due Refund	7,253	16,829
Terminated Vested Members	2,199,170	2,072,196
Retired Members	157,094,312	196,231,369
Disabled Members	5,798,729	6,589,582
Beneficiaries of Deceased Members	<u>11,289,541</u>	<u>12,119,684</u>
Total Value of Vested Benefits	263,884,550	308,165,344
2. Value of Non-Vested Benefits	7,564,327	4,399,603
3. Total Value of Accrued Benefits: (1) + (2)	271,448,877	312,564,947
4. Market Value of Assets	147,201,803	156,420,260
5. Vested Funded Ratio: (4) / (1)	55.8%	50.8%
6. Accrued Funded Ratio: (4) / (3)	54.2%	50.0%

## Section IV - Accounting Information

### E. Statement of Changes in Accrued Plan Benefits

**Increase/(Decrease) from July 1, 2011 to July 1, 2013 plan year attributable to:**

Increase for interest due to the decrease in the discount period	\$42,755,708
Benefits Accumulated/(Forfeited)	35,515,153
Benefit Payments	(43,568,026)
Plan Amendments	0
Changes in Actuarial Assumptions	6,413,235
Net Increase/(Decrease)	41,116,070

**Value of Accrued Plan Benefits:**

July 1, 2013	\$312,564,947
July 1, 2011	271,448,877
Net Increase/(Decrease)	41,116,070

## Section V - Membership Data

### A. Reconciliation of Membership from Prior Full Valuation

Full valuations based on complete census data are performed every other year. Details of the changes in the Plan membership since the last full valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Due Refund	Retirees	Disabled	Bene- ficiaries	Total
<b>Count as of July 1, 2011</b>	896	60	8	846	33	120	1,963
Terminated, not vested	(4)	-	-	-	-	-	(4)
Terminated, benefits due	(23)	14	9	-	-	-	0
Retired	(79)	(14)	-	93	-	-	0
Disabled	(4)	-	-	-	4	-	0
Died, with beneficiary	-	-	-	(15)	-	15	0
Died, no beneficiary	-	-	-	(43)	(2)	(8)	(53)
Lump sum paid	(11)	-	-	-	-	-	(11)
New member	79	-	-	-	-	-	79
New beneficiary	-	-	-	-	-	-	0
Rehired	5	(4)	(1)	-	-	-	0
New QDRO	-	-	-	-	-	-	0
Correction	-	1	2	4	-	-	7
<b>Count as of July 1, 2013</b>	859	57	18	885	35	127	1,981

## Section V - Membership Data

### B. Statistics of Active Membership

	As of July 1, 2011	As of July 1, 2013
<b>Number of Active Members</b>		
Part B	673	643
Part B1 (Dispatchers)	12	11
Part C (Fire)	88	78
Part D (Police)	<u>123</u>	<u>859</u>
Total	896	859
<b>Total Annual Compensation</b>		
Part B	\$33,647,281	\$31,060,972
Part B1 (Dispatchers)	678,445	687,671
Part C (Fire)	8,816,701	8,244,168
Part D (Police)	<u>11,935,895</u>	<u>53,742,387</u>
Total	55,078,322	53,742,387
<b>Average Annual Compensation</b>		
Part B	\$49,996	\$48,306
Part B1 (Dispatchers)	56,537	62,516
Part C (Fire)	100,190	105,694
Part D (Police)	97,040	62,564
Total	61,471	62,564
<b>Average Age</b>		
Part B	51.7	52.6
Part B1 (Dispatchers)	42.1	42.4
Part C (Fire)	45.1	43.2
Part D (Police)	37.6	49.3
Total	49.0	49.3
<b>Average Service</b>		
Part B	12.5	13.3
Part B1 (Dispatchers)	13.0	14.5
Part C (Fire)	16.0	13.0
Part D (Police)	11.3	12.9
Total	12.7	12.9

## Section V - Membership Data

### C. Statistics of Inactive Membership

	As of July 1, 2011	As of July 1, 2013
<b>Number of Members In Pay Status</b>		
Part A	32	24
Part B	659	681
Part B1 (Dispatchers)	0	0
Part C (Fire)	134	153
Part D (Police)	<u>174</u>	<u>1,047</u>
Total	999	1,047
<b>Total Annual Benefit for Members in Pay Status</b>		
Part A	\$441,544	\$360,167
Part B	8,856,394	9,599,653
Part B1 (Dispatchers)	0	0
Part C (Fire)	4,747,056	6,516,014
Part D (Police)	<u>5,956,848</u>	<u>23,374,686</u>
Total	20,001,842	23,374,686
<b>Average Annual Benefit for Members in Pay Status</b>		
Part A	\$13,798	\$15,007
Part B	13,439	14,096
Part B1 (Dispatchers)	0	0
Part C (Fire)	35,426	42,588
Part D (Police)	34,235	22,325
Total	20,022	22,325
<b>Number of Terminated Vested Members *</b>		
Part A	0	0
Part B	65	71
Part B1 (Dispatchers)	0	0
Part C (Fire)	0	0
Part D (Police)	<u>3</u>	<u>75</u>
Total	68	75

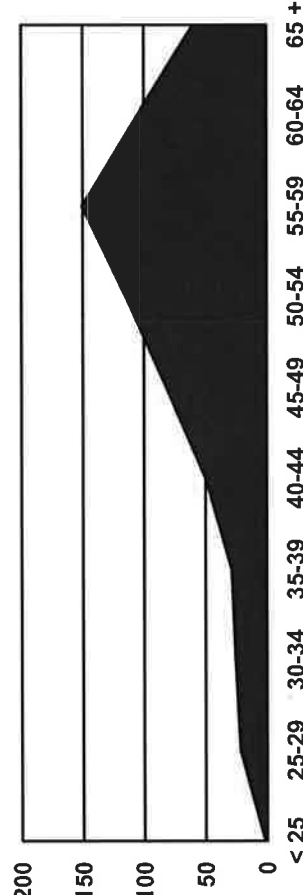
\* Includes terminated nonvested members due a refund of member contributions.



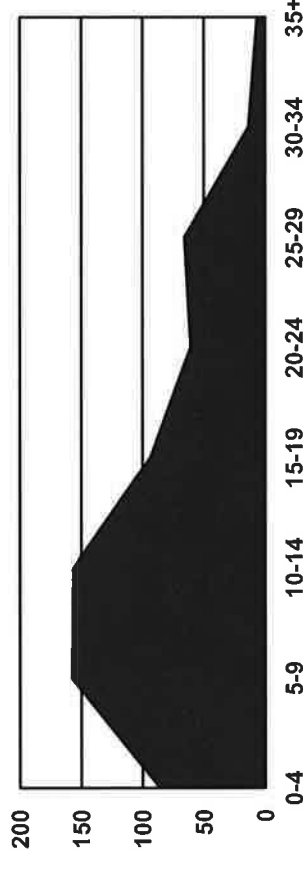
**Section V - Membership Data**  
**D. Distribution of Active Members as of July 1, 2013**  
**Part B - Town and Board of Education**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+			
< 25	2	0	0	0	0	0	0	0			2
25-29	14	7	1	0	0	0	0	0			22
30-34	8	14	4	0	0	0	0	0			26
35-39	7	11	7	4	0	0	0	0			29
40-44	11	19	14	4	2	0	0	0			50
45-49	17	18	25	11	4	6	1	0			82
50-54	10	31	31	15	5	20	3	0			115
55-59	8	27	37	27	24	18	7	3			151
60-64	6	17	25	20	19	15	0	4			106
65 +	3	14	13	13	7	7	3	0			60
Total	86	158	157	94	61	66	14	7			643

Distribution By Age



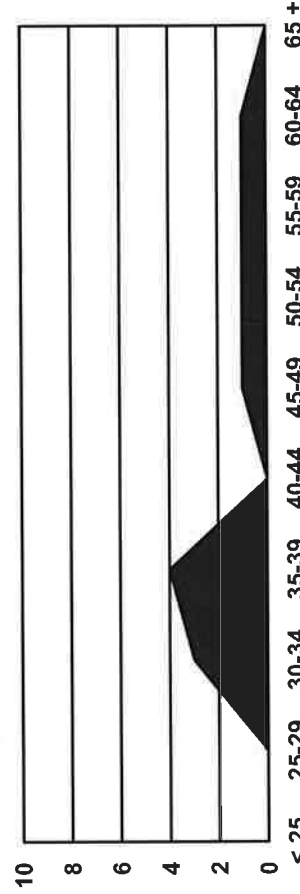
Distribution by Years of Service



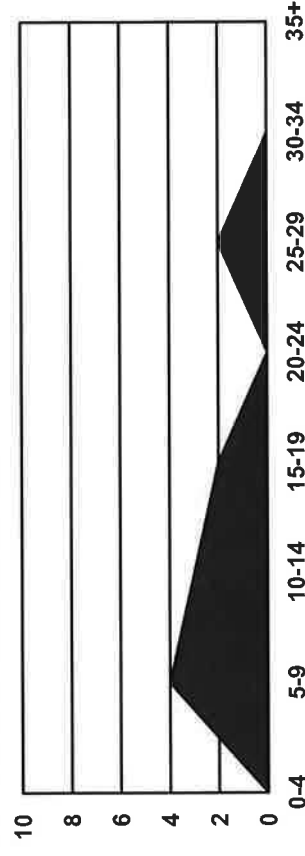
**Section V - Membership Data**  
**D. Distribution of Active Members as of July 1, 2013**  
**Part B1 - Dispatchers**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+			
< 25	0	0	0	0	0	0	0	0			0
25-29	0	0	0	0	0	0	0	0			0
30-34	0	3	0	0	0	0	0	0			3
35-39	0	1	3	0	0	0	0	0			4
40-44	0	0	0	0	0	0	0	0			0
45-49	0	0	0	1	0	0	0	0			1
50-54	0	0	0	0	0	1	0	0			1
55-59	0	0	0	1	0	0	0	0			1
60-64	0	0	0	0	0	1	0	0			1
65 +	0	0	0	0	0	0	0	0			0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>			<b>11</b>

**Distribution By Age**



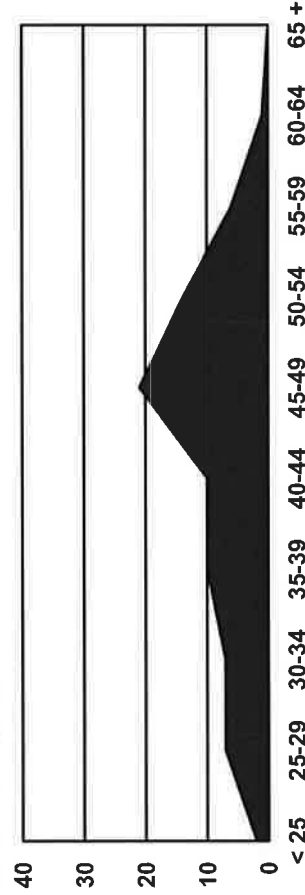
**Distribution by Years of Service**



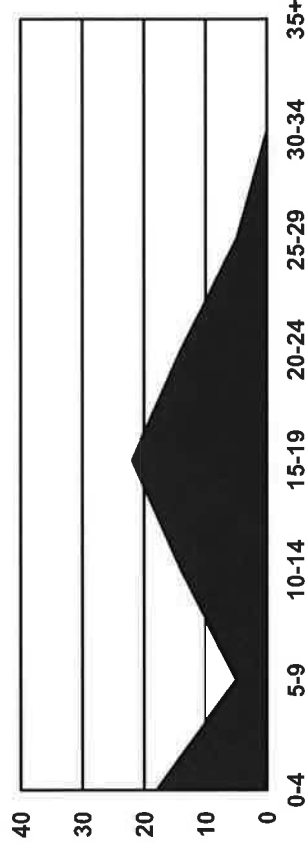
**Section V - Membership Data**  
**D. Distribution of Active Members as of July 1, 2013**  
**Part C - Fire**

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	2	0	0	0	0	0	0	0	2
25-29	6	1	0	0	0	0	0	0	7
30-34	4	2	1	0	0	0	0	0	7
35-39	3	1	2	4	0	0	0	0	10
40-44	0	0	6	2	2	0	0	0	10
45-49	2	0	4	11	3	1	0	0	21
50-54	1	0	1	4	6	2	0	0	14
55-59	0	1	0	1	2	2	0	0	6
60-64	0	0	0	0	1	0	0	0	1
65 +	0	0	0	0	0	0	0	0	0
Total	18	5	14	22	14	5	0	0	78

Distribution By Age



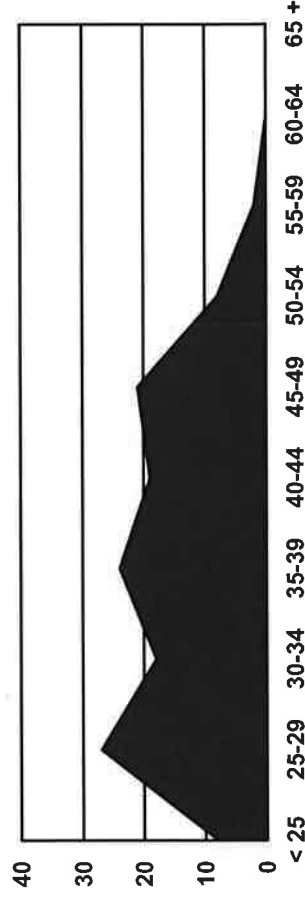
Distribution by Years of Service



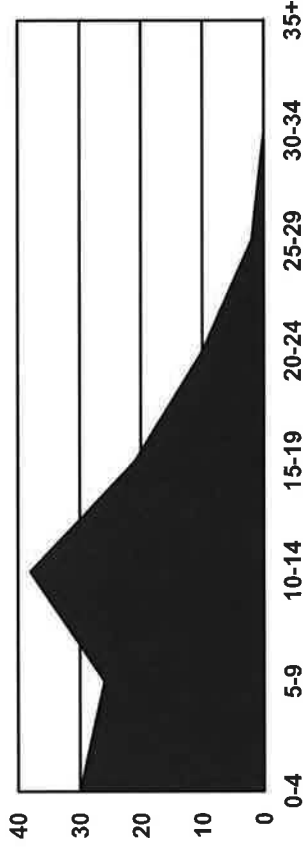
**Section V - Membership Data**  
**D. Distribution of Active Members as of July 1, 2013**  
**Part D - Police**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+			
< 25	8	0	0	0	0	0	0	0			8
25-29	19	8	0	0	0	0	0	0			27
30-34	3	14	1	0	0	0	0	0			18
35-39	0	1	22	1	0	0	0	0			24
40-44	0	2	7	8	2	0	0	0			19
45-49	0	0	7	9	5	0	0	0			21
50-54	0	1	1	3	2	1	0	0			8
55-59	0	0	0	0	1	1	0	0			2
60-64	0	0	0	0	0	0	0	0			0
65 +	0	0	0	0	0	0	0	0			0
Total	30	26	38	21	10	2	0	0			127

Distribution By Age



Distribution by Years of Service



**Section V - Membership Data**  
**E. Distribution of Inactive Members as of July 1, 2013**  
**Parts A and B - Town and Board of Education**

	Age	Number	Annual Benefits
<b>Terminated Vested Members</b>	< 30	0	\$0
	30 - 34	3	14,680
	35 - 39	0	0
	40 - 44	8	69,062
	45 - 49	9	62,771
	50 - 54	14	76,709
	55 - 59	14	63,920
	60 - 64	3	8,255
	65 +	2	3,688
	Total	53	299,085
<b>Members in Pay Status</b>	< 30	0	\$0
	30 - 39	0	0
	40 - 49	4	49,377
	50 - 59	49	1,119,507
	60 - 69	248	4,429,850
	70 - 79	218	3,095,645
	80 - 89	143	1,085,281
	90 - 99	41	172,302
	100 +	2	7,854
	Total	705	9,959,816

**Section V - Membership Data**  
**E. Distribution of Inactive Members as of July 1, 2013**  
**Part B1 - Dispatchers**

	Age	Number	Annual Benefits
<b>Terminated Vested Members</b>	< 30	0	\$0
	30 - 34	0	0
	35 - 39	0	0
	40 - 44	0	0
	45 - 49	0	0
	50 - 54	0	0
	55 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	0	0
<b>Members in Pay Status</b>	< 30	0	\$0
	30 - 39	0	0
	40 - 49	0	0
	50 - 59	0	0
	60 - 69	0	0
	70 - 79	0	0
	80 - 89	0	0
	90 - 99	0	0
	100 +	0	0
	Total	0	0

**Section V - Membership Data**  
**E. Distribution of Inactive Members as of July 1, 2013**  
**Part C - Fire**

	Age	Number	Annual Benefits
<b>Terminated Vested Members</b>	< 30	0	\$0
	30 - 34	0	0
	35 - 39	0	0
	40 - 44	0	0
	45 - 49	0	0
	50 - 54	0	0
	55 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	0	0
<b>Members in Pay Status</b>	< 30	0	\$0
	30 - 39	0	0
	40 - 49	14	555,707
	50 - 59	42	2,627,361
	60 - 69	30	1,313,467
	70 - 79	47	1,608,992
	80 - 89	17	377,634
	90 - 99	3	32,852
	100 +	0	0
	Total	153	6,516,013

**Section V - Membership Data**  
**E. Distribution of Inactive Members as of July 1, 2013**  
**Part D - Police**

	Age	Number	Annual Benefits
<b>Terminated Vested Members</b>	< 30	0	\$0
	30 - 34	1	10,310
	35 - 39	1	0
	40 - 44	2	19,297
	45 - 49	0	0
	50 - 54	0	0
	55 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	4	29,607
<b>Members in Pay Status</b>	< 30	2	\$15,216
	30 - 39	1	39,513
	40 - 49	22	1,025,971
	50 - 59	44	2,172,115
	60 - 69	57	2,238,085
	70 - 79	41	1,026,079
	80 - 89	17	336,241
	90 - 99	5	45,636
	100 +	0	0
	Total	189	6,898,856



## Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Cost Method**. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Normal Cost** is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the **Accrued Liability**. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent. Beginning on July 1, 2007, the amortization period is 30 years. The amortization period will decline by 1 year every year until it reaches 10 years, at which point it will remain at 10 years.

The **Actuarial Value of Assets** is the Market Value of Assets plus any accrued contributions with market gains and losses recognized over a **five** year period.

Full actuarial valuations are performed every other year. In off years the Actuarial Liability and the Normal Cost are estimated based on the results of the prior full valuation.

## Appendix B - Actuarial Assumptions

**Investment Return** 7.54% (prior year: 7.95%)

**Salary Scale** Based on age per the table below

Age	Rate
<25	6.00%
25-29	5.85%
30-34	4.65%
35-39	4.35%
40-49	3.65%
50-59	3.50%
60+	2.80%

**Amortization Growth Rate** 4.00%

**Expenses** Actual administrative expenses paid in the prior year increased by 3% for inflation and rounded to the nearest \$1,000.

**Healthy Mortality** RP-2000 Annuitant and Non-Annuitant Mortality Tables for Males and Females projected to 2020 by Scale AA. A Blue Collar adjustment is applied pre-retirement for active members of the **Custodial (05), Maintenance (06), Grounds (70), Building Maintenance (71), and Streets (62)** groups, and both pre- and post-retirement for **Fire (61) and Police (60)** members. This assumption incorporates a provision for improvements in longevity beyond the valuation date.

**Disabled Mortality** RP-2000 Disabled Mortality Table projected to 2020 by Scale AA. This assumption incorporates a provision for improvements in longevity beyond the valuation date.

**Marital Status** 80% of participants are assumed to be married with wives 3 years younger than husbands.

### Provision for Cost of Including Unused Sick Pay in Average Final Compensation

**Parts B & B1** 5.00% of accrued liability for active participants.

**Parts C & D** 5.25% of accrued liability for active participants.

## Appendix B - Actuarial Assumptions

### Rate of Turnover

Parts B & B1 other than Paraprofessional (03) and Cafeteria (08)

Age	Service			
	0-2	3-5	6-9	10+
20	30%	12%	8%	6%
25	25	11	7	5
30	20	10	6	4
35	15	9	5	3
40+	10	8	4	2

Paraprofessional (03) and Cafeteria (08)

Service	Rate
0-1	30%
2-3	25
4-5	20
6-7	15
8-9	10
10+	5

Part C: None

Part D: Crocker-Sarasan Table T-1

### Rate of Disability

Per the following table:

Age	Rate per 1000 lives
20	0.75
30	0.97
40	1.70
50	5.09
60	14.42

Service connected disabilities are assumed to comprise 50% of total disability for **Parts C & D** and 20% for **Parts B & B1**.

## Appendix B - Actuarial Assumptions

### Rate of Retirement

#### Parts B & B1

Eligible for reduced pension, no medical	5%
Eligible for unreduced pension, no medical	5%
Eligible for unreduced pension and medical	15%
All other ages	
<b>Age</b>	<b>Rate</b>
45-49	1%
50-54	3
55-59	5
60	15
61-64	10
65-69	40
70	100

#### Part C

Eligible for reduced pension, no medical	0%
Eligible for unreduced pension, no medical	0%
Eligible for unreduced pension and medical	25%
All other ages	
<b>Age</b>	<b>Rate</b>
40-44	1%
45-49	5
50-55	10
56-64	25
65	100

#### Part D

Eligible for reduced pension, no medical	0%
Eligible for unreduced pension, no medical	0%
Eligible for unreduced pension and medical	25%
All other ages	
<b>Age</b>	<b>Rate</b>
30-39	1%
40-44	2
45-54	10
55-61	20
62	100

All members older than the latest assumed retirement age are assumed to retire immediately.

## Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Many plan provisions vary by union. We have shown the applicable union codes in parentheses where appropriate to indicate which union(s) are covered by which plan provisions.

**Effective Date of Plan** March 1, 1945

**Covered Employees** Employees working at least 1,000 hours, excluding those teachers eligible under the State Teachers Retirement System, may participate. Participation is compulsory for new employees hired under age 50.

Employees hired after the following dates are not covered by the Pension Plan:

<b>Nurses (07)</b>	June 1, 2010
<b>Cafeteria (08)</b>	June 1, 2011
<b>Security (12)</b>	June 1, 2010

### Classes of Members

**Part A** Covered Employees on December 8, 1959 who did not elect coverage under Social Security plus certain police officers and firefighters not covered under Part C or Part D.

**Part B** All Covered Employees not in Parts A, B1, C or D.

#### Board of Education Unions

Secretarial/Clerical (02)  
 Paraprofessional (03)  
 Printers (04)  
 Custodial (05)  
 Maintenance (06)  
 Nurses (07)  
 Cafeteria (08)  
 Non-Bargaining (09)  
 Custodial III (10)  
 Security (12)  
 Professional/Technical (14)

#### Town Unions

Nurses (58)  
 Directors (59)  
 Streets (62)  
 Clerical (65)  
 Non-Bargaining Clerical (66)  
 Non-Bargaining (68)  
 Grounds (70)  
 Building Maintenance (71)  
 Professional/Management (73)  
 Supervisor (74)  
 Seasonal Part Time (79)  
 Parking Monitors (81)  
 Corporate Counsel (87)  
 Town Manager

**Part B1 (64)** All Covered Employees classified as public safety dispatchers.

## Appendix C - Summary of Plan Provisions

### Classes of Members (continued)

<b>Part C (61)</b>	All Covered Employees classified as firefighters except those covered in Part A.
<b>Part D (60)</b>	All Covered Employees classified as police officers except those covered in Part A.

**Credited Service** All service including completed months from date of hire to date of actual retirement, date of death, or date of termination of employment. Solely for the purpose of calculating amount of pension (see Normal Retirement Benefit) credited service includes any additional service credited in connection with the prior governmental service purchase provision of the plan.

**Compensation** All benefits except Service-Connected Disability: Gross wages including overtime and the value of maintenance.

Service-Connected Disability Benefits: Annual rate of basic pay excluding overtime and other supplemental compensation.

Compensation is limited to \$200,000, indexed in accordance with the Internal Revenue Code requirements for qualified plans.

**Average Final Compensation** Average of the three highest calendar years of compensation, prior to date of actual retirement. Unused sick pay is included in average final compensation to the extent allowed under the plan.

**Covered Compensation** Covered compensation, as defined under Revenue Ruling 71-446, for persons turning age 65 during later of the year the member turns age 65 or the year of actual retirement.

**Vesting** An active member will become vested after 5 years of service (**Dispatchers (64)** members hired after June 30, 2007 - 10 years of service). A vested member is eligible for a vested pension payable starting at the member's Normal Retirement Date. The monthly benefit is equal to the accrued pension at date of termination; in lieu thereof, the member can elect to receive a refund of member contributions with credited interest.

**Normal Form** Single life annuity.

**Optional Benefits at Retirement** 100%, 66-2/3% or 50% contingent annuitant option or 10 year certain and life option.

## Appendix C - Summary of Plan Provisions

### Member Contributions

#### Part B

Percent of compensation for Fiscal Year 2009-2010 varies by union. For some unions, members with long service contribute a lower percentage. For members in these unions hired prior to July 1, 2003, the lower percentage applies after 30 years of service. For members in these unions hired on or after July 1, 2003, the lower percentage applies after 35 years of service.

	Normal Rate	Long Service Rate
Secretarial/Clerical (02)	3.00%	
Paraprofessional (03)	3.00%	
Printers (04)	3.00%	
Custodial (05)	3.00%	
Maintenance (06)	3.00%	
Nurses (07)	5.00%	
Cafeteria (08)	3.00%	
Non-Bargaining (09)	3.00%	
Custodial III (10)	3.00%	
Security (12)	5.00%	
Professional/Technical (14)	4.25%	
Nurses (58)	3.00%	2.00%
Directors (59)	5.00%	
Streets (62)	3.00%	2.00%
Clerical (65)	2.80%	1.80%
Non-Bargaining Clerical (66)	3.00%	2.00%
Non-Bargaining (68)	3.00%	2.00%
Grounds (70)	4.00%	2.00%
Building Maintenance (71)	4.00%	2.00%
Professional/Management (73)	4.00%	2.00%
Supervisor (74)	4.00%	2.00%
Seasonal Part Time (79)	3.00%	2.00%
Parking Monitors (81)	3.00%	2.00%
Corporate Counsel (87)	3.00%	2.00%
Town Manager	5.00%	

#### Part B1 (64)

6% of compensation plus 1% COLA contribution.

#### Part C (61)

1% of base pay plus 5.0% of compensation.  
 effective 7/1/2013 1% of base pay plus 5.5% of compensation  
 effective 7/1/2014 1% of base pay plus 6.0% of compensation  
 effective 7/1/2015 1% of base pay plus 6.5% of compensation  
 effective 7/1/2016 1% of base pay plus 7.0% of compensation

#### Part D (60)

1% of base pay plus 5.0% of compensation.

## Appendix C - Summary of Plan Provisions

### Normal Retirement Date

#### Part B

**Secretarial/Clerical (02), Paraprofessional (03) and Security (12)** members hired before May 1, 2006, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, or age 70. For members hired after May 1, 2006, earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Printers (04), Nurses (07) and Cafeteria (08)** members hired before July 1, 2004, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, or age 70. For members hired after July 1, 2004, earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Custodial (05)** members hired before January 1, 2006, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, 30 years of Credited Service, or age 70. For members hired after January 1, 2006, earliest of age 65 with 15 years of Credited Service, 35 years of Credited Service, or age 70.

**Maintenance (06)** members hired before July 1, 2004, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, 30 years of Credited Service, or age 70. For members hired after July 1, 2004, earliest of age 65 with 15 years of Credited Service, 35 years of Credited Service, or age 70.

**Non-Bargaining (09)** members hired before July 1, 2006, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, or age 70. For members hired after July 1, 2006, earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Custodial III (10)** members hired before July 1, 2005, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, or age 70. For members hired after July 1, 2005, earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Professional/Technical (14)** earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Streets (62)** members hired before July 1, 2003, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, 30 years of Credited Service, or age 70. For members hired after July 1, 2003, earliest of age 65 with 15 years of Credited Service, 35 years of Credited Service, or age 70.



## Appendix C - Summary of Plan Provisions

### Normal Retirement Date (continued)

**Nurses (58), Directors (59), Clerical (65), Non-Bargaining Clerical (66), Non-Bargaining (68), Professional/ Mgmt (73), Seasonal Part Time (79), Corporate Counsel (87) and Town Manager** members hired before July 1, 2003, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, or age 70. For members hired after July 1, 2003, earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Grounds (70), Building Maintenance (71) and Supervisor (74)** members hired before July 1, 2003, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, 30 years of Credited Service, or age 70. For members hired after July 1, 2003, earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Parking Monitors (81)** earliest of age 65 with 15 years of Credited Service, or age 62 with 35 years of Credited Service, or age 70.

**Part B1 (64)** Members hired before July 1, 2007, earliest of age 55 with 25 years of Credited Service, or age 60 with 10 years of Credited Service, 20 years of Credited Service, or age 70. Members hired after July 1, 2007, earliest of 25 years of Credited Service or age 70.

**Part C (61)** Members hired before July 1, 2005, earliest of age 55 with 10 years of Credited Service, 20 years of Credited Service, or age 65. Members hired after July 1, 2005, age 50 with 25 years of Credited Service.

**Part D (60)** Earliest of age 55 with 10 years of Credited Service, 20 years of Credited Service, or age 65.

### Normal Retirement Benefit

**Part B** For service prior to January 1, 1986:

- (1) 2% times Average Final Compensation times Credited Service up to 33 years, plus 1% times Average Final Compensation times Credited Service in excess of 33 years; less
- (2) 5/6% times Average Final Compensation not in excess of Covered Compensation times Credited Service; plus
- (3) For Members who retire before age 62, a temporary allowance calculated as in (2) above. Such benefit shall terminate with the payment for the month the member attains age 65 if in a Town union and age 62 otherwise.

For service after January 1, 1986: 2% times Average Final Compensation times Credited Service to a maximum of 35 years.

## Appendix C - Summary of Plan Provisions

### Normal Retirement Benefit (continued)

**Maintenance (06)** members hired before July 1, 2004, **Custodial (05)** members hired before January 1, 2006, **Streets (62)** members hired prior to July 1, 2003, and **Non-Bargaining (68)** members, normal retirement benefit with 30 years of Credited Service is 70% of Average Final Compensation.

**Clerical (65)** members hired prior to July 1, 2003 at age 55 with 25 (30) years of Credited Service, normal retirement benefit is 60% (70%) of Average Final Compensation.

For new employees hired after the dates below, normal retirement benefit is 1% times Average Final Compensation times Credited Service to a maximum of 35 years:

**Secretaries (02)** effective May 1, 2013

**Paraprofessionals (03)** effective May 1, 2013

**Custodians (05)** effective October 1, 2012

**Maintenance (06)** effective October 1, 2012

**Custodial III (10)** effective October 1, 2012

**Professional/Technical (14)** effective October 15, 2013

**Town Directors (59)** effective July 1, 2012

**Part B1 (64)** Same as Part B. For members hired on or after July 1, 2007 who retire with 25-27 years of Credited Service, 55% of Average Final Compensation; with 28+ years of Credited Service, 56% of Average Final Compensation plus 2% for each additional year of Credited Service to a maximum of 35 years of Credited Service.

**Part C (61)** 2.5% times Average Final Compensation times Credited Service.

For members hired after July 1, 2004 and prior to April 1, 2014 who retire with 30 years of Credited Service, 80% times Average Final Compensation.

For members hired after April 1, 2014, 2.0% times Final Compensation times Credited Service and who retire with 30 years of Credited Service, 65% of Final Compensation.

**Part D (60)** 2.5% times Average Final Compensation times Credited Service.

For members hired after July 1, 2004 who retire with 30 years of Credited Service, 80% times Average Final Compensation.

For members hired after August 1, 2006 who retire with 20 years of Credited Service, 50% times average base pay in the highest three calendar years determined without regard to overtime, private duty, sick leave or any other compensation than base pay.

## Appendix C - Summary of Plan Provisions

### Minimum Benefit

<b>Parts B &amp; B1</b>	\$360 per year. Terminated vested members, reduced by \$24 per year for less than 15 years of continuous credited service.
<b>Parts C &amp; D</b>	\$1,000 per year, reduced by \$67 per year for less than 15 years of continuous credited service.

### Maximum Benefit

<b>Part B</b>	<p>Generally 75% of Average Final Compensation, with the following exceptions:</p> <p>All Board of Education unions except <b>Printers (04)</b> and <b>Cafeteria Workers (08)</b>, 100% of the final year's base pay.</p> <p><b>Streets (62), Grounds (70), Building Maintenance (71) and Supervisor (74)</b> members hired prior to July 1, 2003 who retire with 30 years of service, the maximum benefit (before the Supplemental Benefit) is 70% of Average Final Compensation.</p> <p>All other Town union members, the maximum benefit (before the Supplemental Benefit) is 100% of the final year's base pay.</p>
<b>Part B1</b>	75% of Average Final Compensation.
<b>Part C</b>	For members hired before July 1, 2005, 95% of base pay. For members hired after July 1, 2005, 85% of base pay.
<b>Part D</b>	For members hired before August 1, 2006, 95% of base pay (including education incentive and holiday pay only). For members hired after August 1, 2006, 85% of base pay (excluding overtime, holiday pay, sick pay, vacation time or other incentive or extra pay).

### Supplemental Benefit

Applicable Groups	<b>Secretarial/Clerical (02), Paraprofessional (03) and Security (12)</b> hired before May 1, 2006, <b>Printers (04), Maintenance (06), Nurses (07), and Cafeteria (08)</b> hired before July 1, 2004, <b>Custodial (05)</b> hired before January 1, 2006, <b>Non-Bargaining (09)</b> hired before July 1, 2006, <b>Custodian III (10)</b> hired before July 1, 2005 and all Town unions hired before July 1, 2003.
Eligibility	Members who work past Normal Retirement Date by attaining age 55 with 25 years of service or age 60 with 10 years of service.
Benefit	\$600 per year for each full year of service worked beyond Normal Retirement Date.

## Appendix C - Summary of Plan Provisions

### Early Retirement Date

#### Part B

**Secretarial/Clerical (02), Paraprofessional (03) and Security (12)** members hired before May 1, 2006, earlier of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service. For members hired after May 1, 2006, earlier of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

**Printers (04), Maintenance (06), Nurses (07) and Cafeteria (08)** members hired before July 1, 2004, earlier of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service. For members hired after July 1, 2004, earlier of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

**Custodial (05)** members hired before January 1, 2006, earlier of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service. For members hired after January 1, 2006, earlier of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

**Non-Bargaining (09)** members hired before July 1, 2006, earlier of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service. For members hired after July 1, 2006, earlier of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

**Custodial III (10)** members hired before July 1, 2005, earlier of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service. For members hired after July 1, 2005, earlier of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

**Professional/Technical (14)** earlier of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

**Nurses (58), Directors (59), Streets (62), Clerical (65), Non-Bargaining Clerical (66), Non-Bargaining (68), Grounds (70), Building Maintenance (71), Professional/Management (73), Supervisor (74), Seasonal Part Time (79), Parking Monitors (81), Corporate Counsel (87) and Town Manager** members hired before July 1, 2003, earliest of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service. For members hired after July 1, 2003, earliest of age 55 with 15 years of Credited Service, or age 60 with 10 years of Credited Service.

## Appendix C - Summary of Plan Provisions

### Early Retirement Date (continued)

**Part B1** Members hired before July 1, 2007, earliest of age 45 with 15 years of Credited Service, or age 50 with 10 years of Credited Service, or 20 years of Credited Service. For members hired after July 1, 2007, earliest of age 55 with 15 years of Credited Service, age 60 with 10 years of Credited Service, or 20 years of Credited Service.

**Parts C & D** 10 years of Credited Service.

### Deferred Retirement

**Parts B & B1** A member may work beyond retirement at his or her option, and will continue to accrue benefits under the plan.

**Parts C & D** A member may not work later than the December 31st nearest their 65th birthday.

### Disability Retirement

A member regardless of age with 10 or more years of continuous service is eligible if he or she is totally and permanently disabled and unable thereby to engage in gainful occupation with the Town.

If the disability is Service-Connected, the 10-year service requirement is waived; and the benefit will not be less than one-half the annual rate of pay less any payments received on account of Social Security or Worker's Compensation, or less than \$360 per year.

**Part C (61) and Part D (60)** - annual minimum benefit of \$1,000.

## Appendix C - Summary of Plan Provisions

### Survivorship Benefits

Eligibility: All **Part C (61)** and **Part D (60)** members active or retired. Survivorship benefits for spouse who has not remarried, dependent minor children, or dependent parent(s).

Benefit: By formula applied to final base rate of pay.

Eligibility: 15 years credited service or age 55 and 10 years credited service or retired.

Benefit: 50% contingent annuitant option payable to surviving spouse until remarriage. Pay-back of excess pension payments required, if any.

#### Before Retirement

Return of member's contributions with regular interest. **Part C (61)** and **Part D (60)** members generally do not receive 1% of base wages contributed.

If a member works past his or her Normal or Early Retirement Date and is married, the 50% Contingent Annuitant benefit will be paid to the surviving spouse. Non-Union members employed by the Board of Education receive this benefit only upon reaching Normal Retirement Date.

#### After Retirement

Excess of member's contributions with regular interest to retirement date over pension payments received prior to death, unless optional form with 10-year certain period has been elected. **Part C (61)** and **Part D (60)** members generally do not receive 1% of base wages contributed.

### Cost of Living Adjustments

For **Dispatchers (64)**, **Clerical (65)**, **Grounds (70)**, **Building Maintenance (71)**, **Professional Management (73)**, and **Supervisor (74)** members, automatic COLAs of 1% are paid starting on the January 1 or July 1 following the third year of retirement with a normal retirement date or beginning three years after they would have been eligible for a normal retirement benefit. The Supplemental Benefit does not receive COLAs.

For **Part C (61)** members hired after July 1, 2005, automatic COLAs of 2% are paid starting at the end of the 24th month after retirement and each July 1 thereafter.

For **Part D (60)** members hired after August 1, 2006, automatic COLAs of 2% are paid starting on the July 1 following the second year of retirement.