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## Town of Wethersfield Pension Plan

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

**Prepared by**  
Milliman, Inc.

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## **Certification**

We have performed an 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 report, we relied on employee census data and financial information as of the 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.

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

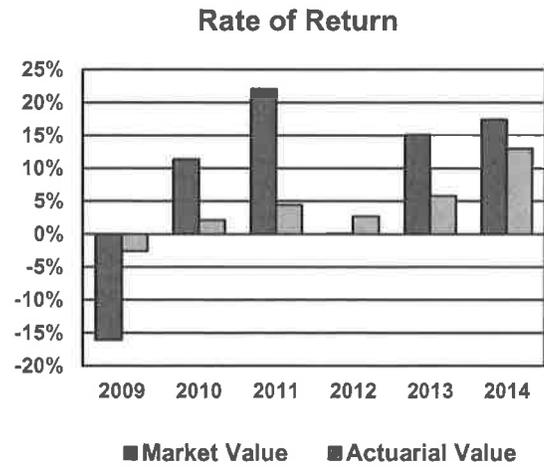
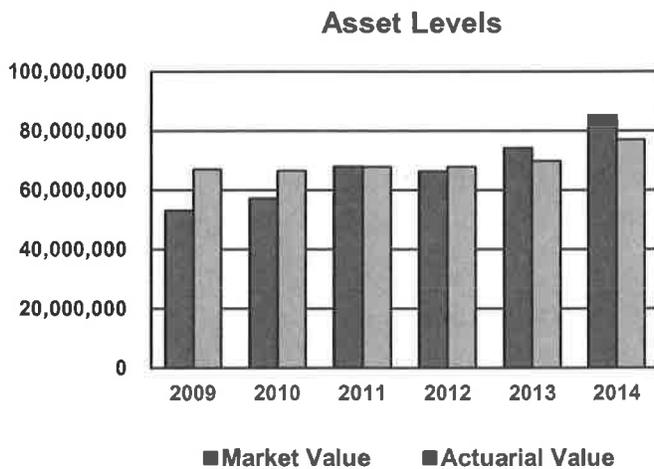
### A. Highlights

#### 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	\$74,204,263	\$69,798,452
Contributions	3,100,445	3,100,445
Investment Income	12,776,567	8,947,685
Benefit Payments and Administrative Expenses	(4,874,770)	(4,874,770)
Value as of July 1, 2014	85,206,505	76,971,812

For fiscal year 2013-14, the plan's assets earned 17.43% on a Market Value basis and 12.98% on an Actuarial Value basis. The actuarial assumption for this period was 7.625%; the result is an asset gain of \$7,186,600 on a Market Value basis and a gain of \$3,693,400 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 \$8,234,700. 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.

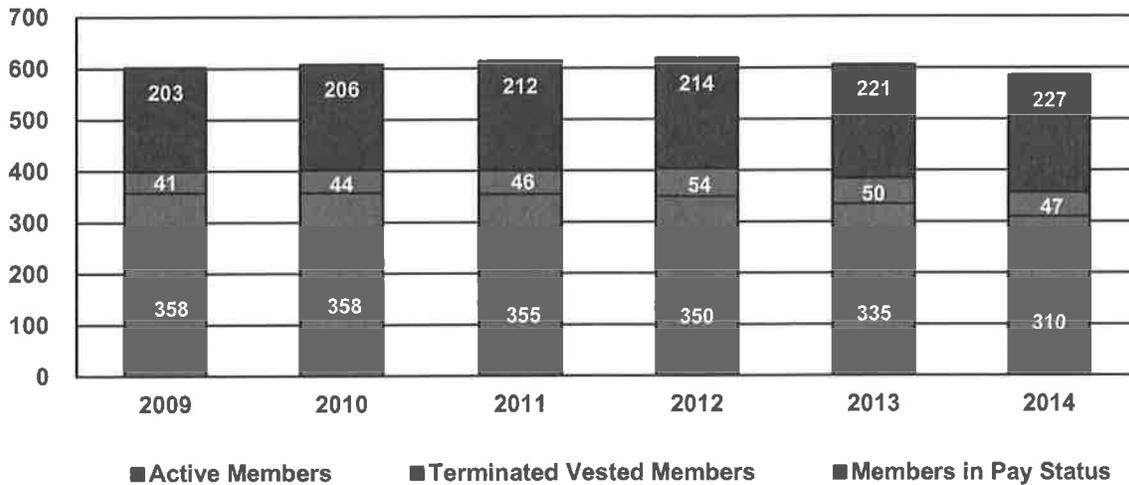
## Section I - Executive Summary

### A. Highlights

#### Membership

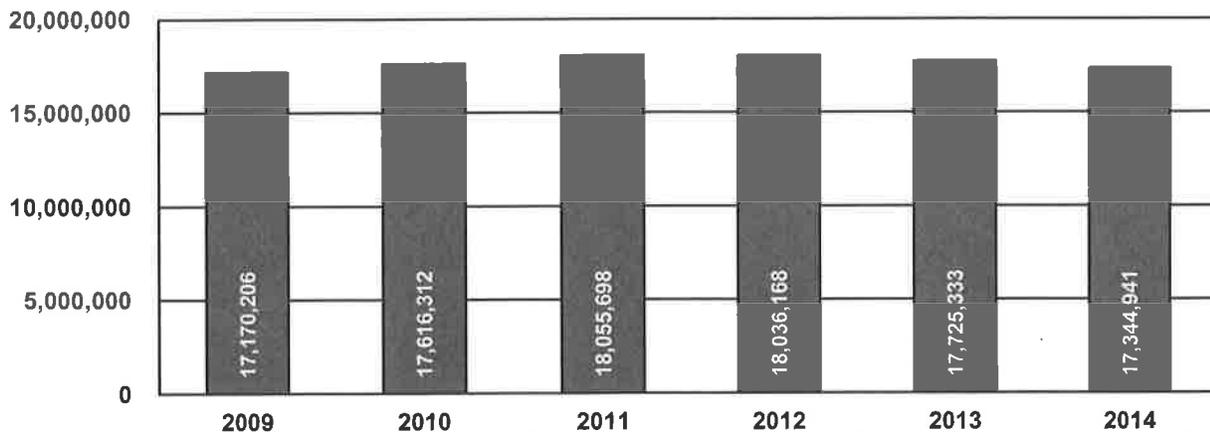
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits.

**Number of Members**



From July 1, 2013 to July 1, 2014, the overall membership decreased from 606 to 584. During this period, there were 2 new members, 7 members terminated with vested benefits, 17 members retired, 11 members received a refund of employee contributions, 1 member died with a surviving beneficiary, and 13 members died without a surviving beneficiary.

**Payroll**



## Section I - Executive Summary

### A. Highlights

#### Plan Changes

The employee contribution rate for pension benefits was increased from 4.0% to 5.0% for Local Union 1303-40. This change, measured as of July 1, 2014, decreased the Unfunded Accrued Liability by \$10,000 and decreased the Actuarially Determined Contribution by \$19,000.

#### Changes in Actuarial Methods or Assumptions

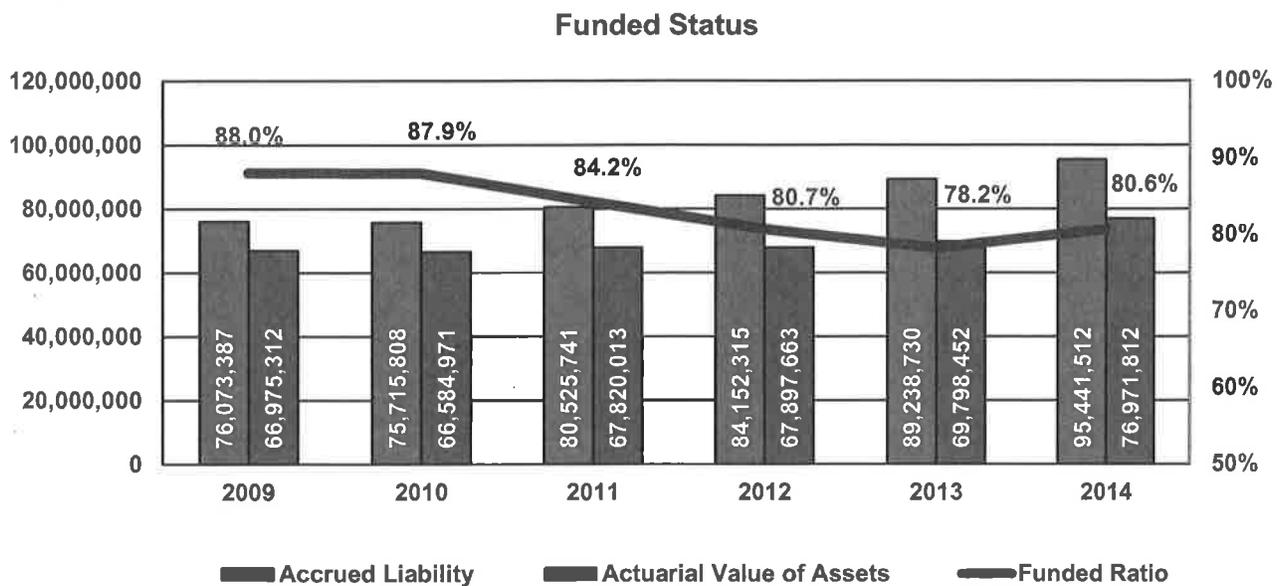
To better anticipate future experience, we decreased the interest rate from 7.625% to 7.45%. This change, measured as of July 1, 2014, increased the Unfunded Accrued Liability by \$1,800,000 and increased the Actuarially Determined Contribution by \$182,000.

## 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. Since investment gains and losses are recognized gradually over a five year period, the market losses suffered in 2011-2012 are manifested by a gradual decline in the funded ratio. Following market gains in 2012-2014, the funded ratio has begun to rise.



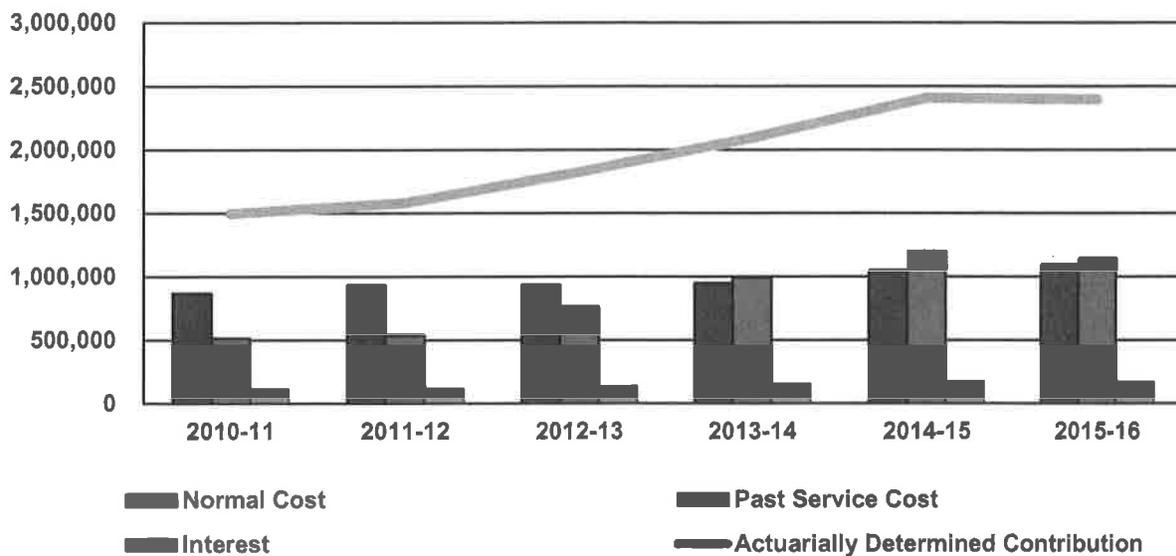
## Section I - Executive Summary

### 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** assuming payment is made mid-year. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

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



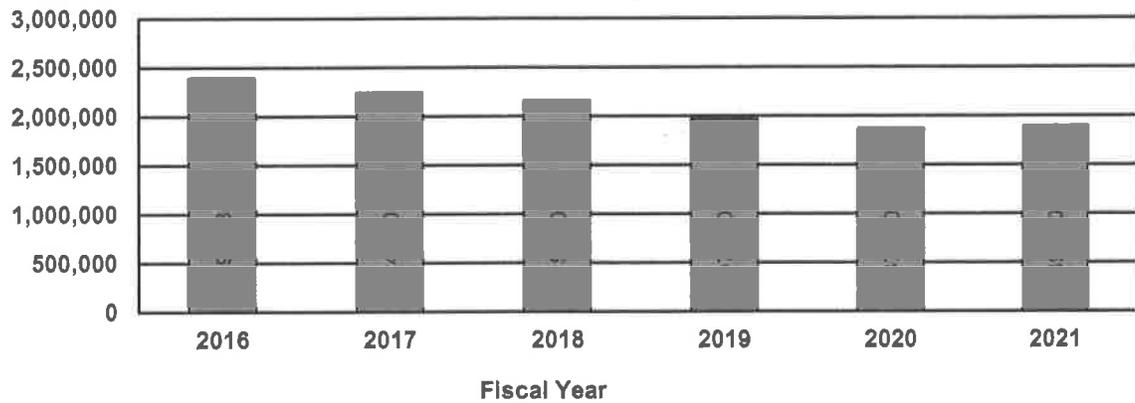
## Section I - Executive Summary

### A. Highlights

#### Long Range Forecast

As of July 1, 2014, the Actuarial Value of Assets is less than the Market Value of Assets. The Actuarial Value has not fully recognized the market gains from 2010-2011 and 2012-2014. As these gains are recognized, the funded ratio is expected to rise and the Actuarially Determined Contribution is expected to decrease.

#### Actuarially Determined Contribution



	2016	2017	2018	2019	2020	2021
Town	\$779,339	\$721,000	\$683,000	\$625,000	\$581,000	\$575,000
Board of Education	510,408	484,000	464,000	428,000	403,000	395,000
Police	<u>1,103,688</u>	<u>1,037,000</u>	<u>1,010,000</u>	<u>918,000</u>	<u>886,000</u>	<u>921,000</u>
Total	2,393,435	2,242,000	2,157,000	1,971,000	1,870,000	1,891,000

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**

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<b>Membership</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Active Members	335	310
Terminated Vested Members	50	47
Members in Pay Status	221	227
Payroll	\$17,725,333	\$17,344,941
<b>Assets and Liabilities</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Market Value of Assets	\$74,204,263	\$85,206,505
Actuarial Value of Assets	69,798,452	76,971,812
Accrued Liability for Active Members	\$40,275,472	\$42,311,778
Accrued Liability for Terminated Vested Members	2,144,784	2,182,090
Accrued Liability for Members in Pay Status	46,818,474	50,947,644
Total Accrued Liability	89,238,730	95,441,512
Unfunded Accrued Liability	19,440,278	18,469,700
Funded Ratio	78.2%	80.6%
<b>Actuarially Determined Contribution for Fiscal Year</b>	<b>2014-15</b>	<b>2015-16</b>
Normal Cost	\$1,043,662	\$1,088,523
Past Service Cost	1,191,992	1,138,964
Interest	170,469	165,948
Actuarially Determined Contribution	2,406,123	2,393,435

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## Section II - Plan Assets

### A. Summary of Fund Transactions

	Accruals	Pooled Cash Fund	Investment Managers	Total
<b>Market Value as of July 1, 2013</b>	\$391.18	\$692,155.04	\$73,511,716.15	\$74,204,262.37
Employee Contributions	22,714.52	985,843.07	0.00	1,008,557.59
Employer Contributions	16,817.00	2,075,070.00	0.00	2,091,887.00
Benefit Payments	0.00	0.00	(4,773,441.55)	(4,773,441.55)
Investment Expenses	0.00	0.00	0.00	0.00
Investment Income	0.00	590.22	1,222,430.79	1,223,021.01
Capital Gains/(Losses)	0.00	0.00	11,553,546.91	11,553,546.91
Administrative Expenses	0.00	(3,000.00)	(98,328.65)	(101,328.65)
Net Transfers	0.00	(3,058,873.68)	3,058,873.68	0.00
<b>Market Value as of July 1, 2014</b>	39,922.70	691,784.65	84,474,797.33	85,206,504.68
<b>Approximate Rate of Return</b>				17.43%

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.

#### Allocation by Investment

Dryden S&P Index	\$13,906,739.44	16.32%
Large Cap Value / LSV	11,969,834.81	14.05%
Small Cap Blend / WHV	4,797,491.72	5.63%
International Blend / Pictet	13,440,243.24	15.77%
Core Bond Enhanced	5,324,291.82	6.25%
Core Plus/PIMCO	10,061,038.39	11.81%
Large Cap Growth/Neuberger Berman	12,069,848.56	14.17%
PruTIPS Enhanced	1,866,851.02	2.19%
Guaranteed Income Fund	11,038,458.33	12.95%
Pooled Cash	691,784.65	0.81%
Pension Accruals	<u>39,922.70</u>	<u>0.05%</u>
<b>Total</b>	<b>85,206,504.68</b>	<b>100.00%</b>

#### Allocation by Plan

Town	\$25,070,630.60	29.42%
Board of Education	19,042,735.46	22.35%
Police	<u>41,093,138.62</u>	<u>48.23%</u>
<b>Total</b>	<b>85,206,504.68</b>	<b>100.00%</b>

**Section II - Plan Assets  
B. Determination of Market Asset (Gain)/Loss**

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 market (gain)/loss for the fiscal year ending June 30, 2014 is determined below.

	<b>Town</b>	<b>Board</b>	<b>Police</b>	<b>Total</b>
1. Expected Market Value of Assets:				
a. Market Value of Assets as of July 1, 2013	\$21,903,693	\$16,687,953	\$35,612,617	\$74,204,263
b. Employer Contributions	620,256	339,157	1,132,474	2,091,887
c. Employee Contributions	285,823	349,426	373,309	1,008,558
d. Benefit Payments	(1,603,038)	(1,034,393)	(2,136,010)	(4,773,441)
e. Administrative Expenses	(14,222)	(35,541)	(51,566)	(101,329)
f. Expected Investment Return Based on 7.625% Interest	<u>1,642,814</u>	<u>1,257,566</u>	<u>2,689,619</u>	<u>5,589,999</u>
g. Expected Market Value of Assets as of July 1, 2014	22,835,326	17,564,168	37,620,443	78,019,937
2. Actual Market Value of Assets as of July 1, 2014	25,070,631	19,042,735	41,093,139	85,206,505
3. Market (Gain)/Loss: (1g) - (2)	(2,235,305)	(1,478,567)	(3,472,696)	(7,186,568)
4. Market Rate of Return	18.00%	16.59%	17.47%	17.43%

**Milliman Actuarial Valuation**

**Section II - Plan Assets  
C. Development of Actuarial Value of Assets**

The Actuarial Value of Assets as of July 1, 2014 is determined below.

	Town	Board	Police	Total
1. Market Value of Assets as of July 1, 2014	\$25,070,631	\$19,042,735	\$41,093,139	\$85,206,505
2. Market (Gains)/Losses (see Section II B):				
06/30/2014	(2,235,305)	(1,478,567)	(3,472,696)	(7,186,568)
06/30/2013	(1,516,395)	(964,789)	(2,329,441)	(4,810,625)
06/30/2012	1,462,778	1,120,265	2,452,107	5,035,150
06/30/2011	(2,501,201)	(1,672,130)	(3,892,284)	(8,065,615)
3. Delayed Recognition of Market (Gains)/Losses:				
06/30/2014	(1,788,244)	(1,182,854)	(2,778,157)	(5,749,255)
06/30/2013	(909,837)	(578,873)	(1,397,665)	(2,886,375)
06/30/2012	585,111	448,106	980,843	2,014,060
06/30/2011	(500,240)	(334,426)	(778,457)	(1,613,123)
Total Amount Deferred	(2,613,210)	(1,648,047)	(3,973,436)	(8,234,693)
4. Actuarial Value of Assets as of July 1, 2014: (1) + (3)	22,457,421	17,394,688	37,119,703	76,971,812
5. Approximate Rate of Return on Actuarial Value	13.51%	12.30%	12.99%	12.98%
6. Actuarial Value (Gain)/Loss	(1,182,758)	(732,073)	(1,778,574)	(3,693,405)

This work product was prepared solely for the Town for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

**Milliman Actuarial Valuation**

**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 for the Town and Board of Education and 25 years for Police starting on July 1, 2009.

	<b>Town</b>	<b>Board</b>	<b>Police</b>	<b>Total</b>
1. Accrued Liability				
Active Members	\$13,117,665	\$10,366,691	\$18,827,422	\$42,311,778
Terminated Vested Members	1,257,857	748,030	176,203	2,182,090
Retired Members	14,072,770	10,134,239	24,336,841	48,543,850
Disabled Members	0	0	0	0
Beneficiaries of Deceased Members	431,694	150,133	1,821,967	2,403,794
Total	28,879,986	21,399,093	45,162,433	95,441,512
2. Actuarial Value of Assets (see Section II C)	22,457,421	17,394,688	37,119,703	76,971,812
3. Unfunded Accrued Liability: (1) - (2)	6,422,565	4,004,405	8,042,730	18,469,700
4. Funded Ratio: (2) / (1)	77.8%	81.3%	82.2%	80.6%
5. Amortization Period	25	25	20	
6. Amortization Growth Rate	4.00%	4.00%	4.00%	
7. Past Service Cost: (3) amortized over (5)	369,731	230,523	538,710	1,138,964

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**Milliman Actuarial Valuation**

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

The development of the Actuarially Determined Contribution for the 2015-16 fiscal year is shown below.

	Town	Board	Police	Total
1. Total Normal Cost	\$594,554	\$540,818	\$823,102	\$1,958,474
2. Expected Employee Contributions	273,648	330,988	369,315	973,951
3. Expected Expenses	34,667	34,666	34,667	104,000
4. Net Normal Cost: (1) - (2) + (3)	355,573	244,496	488,454	1,088,523
5. Past Service Cost (see Section III A)	369,731	230,523	538,710	1,138,964
6. Interest on (4) + (5) to end of year	54,035	35,389	76,524	165,948
7. Actuarially Determined Contribution: (4) + (5) + (6)	779,339	510,408	1,103,688	2,393,435
8. Compensation	6,355,856	5,997,518	4,991,567	17,344,941
9. Contribution as a % of Compensation: (7) / (8)	12.26%	8.51%	22.11%	13.80%

**Milliman Actuarial Valuation**

**Section III - Development of Contribution  
C. Long Range Forecast**

This forecast is based on the results of the July 1, 2014 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return 7.450% on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Values as of the Valuation Date				Cash Flows Projected to the Following Fiscal Year						
	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	\$95,441,512	\$76,971,812	\$18,469,700	80.6%	2016	\$2,393,435	\$968,836	(\$5,550,219)	(\$2,187,948)		
7/1/2015	99,444,000	84,319,000	15,125,000	84.8%	2017	2,242,000	957,000	(5,799,000)	(2,600,000)		
7/1/2016	103,473,000	90,113,000	13,360,000	87.1%	2018	2,157,000	942,000	(6,043,000)	(2,944,000)		
7/1/2017	107,492,000	96,816,000	10,676,000	90.1%	2019	1,971,000	928,000	(6,359,000)	(3,460,000)		
7/1/2018	111,522,000	102,519,000	9,003,000	91.9%	2020	1,870,000	909,000	(6,673,000)	(3,894,000)		
7/1/2019	115,593,000	106,567,000	9,026,000	92.2%	2021	1,891,000	879,000	(7,089,000)	(4,319,000)		
7/1/2020	119,531,000	110,468,000	9,063,000	92.4%	2022	1,920,000	846,000	(7,552,000)	(4,786,000)		
7/1/2021	123,363,000	114,217,000	9,146,000	92.6%	2023	1,910,000	832,000	(7,964,000)	(5,222,000)		
7/1/2022	126,852,000	117,762,000	9,090,000	92.8%	2024	1,944,000	809,000	(8,379,000)	(5,626,000)		
7/1/2023	130,164,000	121,118,000	9,046,000	93.1%	2025	1,978,000	786,000	(8,826,000)	(6,062,000)		
7/1/2024	133,069,000	124,306,000	8,763,000	93.4%	2026	1,973,000	771,000	(9,272,000)	(6,528,000)		
7/1/2025	135,758,000	127,278,000	8,480,000	93.8%	2027	1,995,000	753,000	(9,686,000)	(6,938,000)		
7/1/2026	138,108,000	129,989,000	8,119,000	94.1%	2028	2,017,000	732,000	(10,081,000)	(7,332,000)		
7/1/2027	140,114,000	132,477,000	7,637,000	94.5%	2029	2,024,000	717,000	(10,459,000)	(7,718,000)		
7/1/2028	141,758,000	134,742,000	7,016,000	95.1%	2030	2,024,000	704,000	(10,805,000)	(8,077,000)		
7/1/2029	143,142,000	136,776,000	6,366,000	95.6%	2031	2,046,000	692,000	(11,133,000)	(8,395,000)		
7/1/2030	144,304,000	138,587,000	5,717,000	96.0%	2032	2,091,000	674,000	(11,451,000)	(8,686,000)		
7/1/2031	145,221,000	140,204,000	5,017,000	96.5%	2033	2,144,000	664,000	(11,736,000)	(8,928,000)		
7/1/2032	145,837,000	141,638,000	4,199,000	97.1%	2034	2,241,000	653,000	(12,002,000)	(9,108,000)		
7/1/2033	146,162,000	142,929,000	3,233,000	97.8%	2035	2,408,000	641,000	(12,268,000)	(9,219,000)		

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.

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**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:

---

<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 for the Town and Board of Education and 25 years for Police from July 1, 2009
<b>Asset Valuation Method</b>	5 Year Smoothed Market Value
<b>Actuarial Assumptions</b>	
Investment Rate of Return	7.45%
Projected Salary Increases	Graded
Amortization Growth Rate	4.00%
Inflation	2.50%
Cost-of-Living Adjustments	For Police only - 2.25% for COLAs capped at 3%; 2.65% for COLAs capped at 4%

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**Milliman Actuarial Valuation**

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

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2005	2006-07	\$55,732,543	\$59,097,419	\$3,364,876	94.3%	\$13,775,647	24.4%
07/01/2006	2007-08	58,501,793	63,521,517	5,019,724	92.1%	14,770,383	34.0%
07/01/2007	2008-09	62,733,659	67,394,895	4,661,236	93.1%	15,914,306	29.3%
07/01/2008	2009-10	66,534,885	72,246,606	5,711,721	92.1%	16,559,221	34.5%
07/01/2009	2010-11	66,975,312	76,073,387	9,098,075	88.0%	17,170,206	53.0%
07/01/2010	2011-12	66,584,971	75,715,808	9,130,837	87.9%	17,616,312	51.8%
07/01/2011	2012-13	67,820,013	80,525,741	12,705,728	84.2%	18,055,698	70.4%
07/01/2012	2013-14	67,897,663	84,152,315	16,254,652	80.7%	18,036,168	90.1%
07/01/2013	2014-15	69,798,452	89,238,730	19,440,278	78.2%	17,725,333	109.7%
07/01/2014	2015-16	76,971,812	95,441,512	18,469,700	80.6%	17,344,941	106.5%

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**Milliman Actuarial Valuation**

**Section IV - Accounting Information  
C. Schedule of Employer Contributions**

Fiscal Year Ending June 30	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the		(3) Contribution Deficiency/ (Excess) (1) - (2)	(4) Covered Payroll	(5) Contribution as a Percentage of Covered Payroll (2) / (4)
		Actuarially Determined Contribution	Actuarially Determined Contribution			
2007	\$982,985	\$982,985	\$0	\$13,775,647	7%	
2008	1,146,403	1,146,403	0	14,770,383	8%	
2009	1,193,687	1,193,687	0	15,914,306	8%	
2010	1,204,694	1,204,694	0	16,559,221	7%	
2011	1,494,228	1,494,228	0	17,170,206	9%	
2012	1,579,090	1,579,090	0	17,616,312	9%	
2013	1,821,991	1,821,991	0	18,055,698	10%	
2014	2,091,860	2,091,887	(27)	18,036,168	12%	
2015	2,406,123	TBD	TBD	17,725,333	TBD	
2016	2,393,435	TBD	TBD	17,344,941	TBD	

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**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.

	Town	Board	Police	Total
1. Value of Vested Benefits				
Active Members	\$8,914,908	\$6,899,497	\$12,157,903	\$27,972,308
Terminated Vested Members/Former Members Due Refunds	1,257,857	748,030	176,203	2,182,090
Retired Members	14,072,770	10,134,239	24,336,841	48,543,850
Disabled Members	0	0	0	0
Beneficiaries of Deceased Members	<u>431,694</u>	<u>150,133</u>	<u>1,821,967</u>	<u>2,403,794</u>
Total Value of Vested Benefits	24,677,229	17,931,899	38,492,914	81,102,042
2. Value of Non-Vested Benefits	251,865	321,997	179,937	753,799
3. Total Value of Accrued Benefits: (1) + (2)	24,929,094	18,253,896	38,672,851	81,855,841
4. Market Value of Assets	25,070,631	19,042,735	41,093,139	85,206,505
5. Vested Funded Ratio: (4) / (1)	101.6%	106.2%	106.8%	105.1%
6. Accrued Funded Ratio: (4) / (3)	100.6%	104.3%	106.3%	104.1%

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**Section IV - Accounting Information**  
**E. Statement of Changes in Accrued Plan Benefits**

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**Increase/(Decrease) during the 2013-14 plan year attributable to:**

Increase for interest due to the decrease in the discount period	\$5,655,763
Benefits Accumulated/(Forfeited)	2,985,360
Benefit Payments	(4,773,442)
Plan Amendments	0
Changes in Actuarial Assumptions	1,471,343
Net Increase/(Decrease)	5,339,024

**Value of Accrued Plan Benefits:**

July 1, 2014	\$81,855,841
July 1, 2013	76,516,817
Net Increase/(Decrease)	5,339,024

---

## Section V - Membership Data

### A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term Vested	Retirees	Disabled	Bene- ficiaries	Total
<b>Town</b>						
<b>Count as of July 1, 2013</b>	101	18	69	0	4	192
Terminated, paid refund	(1)	(3)	0	0	0	(4)
Terminated, benefits due	(1)	1	0	0	0	0
Retired	(6)	(1)	7	0	0	0
Died, with beneficiary	0	0	(1)	0	1	0
Died, no beneficiary	0	0	(5)	0	0	(5)
New member	0	0	0	0	0	0
Correction	0	0	0	0	0	0
<b>Count as of July 1, 2014</b>	93	15	70	0	5	183
<b>Board of Education</b>						
<b>Count as of July 1, 2013</b>	188	30	98	0	5	321
Terminated, paid refund	(1)	(5)	0	0	0	(6)
Terminated, benefits due	(6)	6	0	0	0	0
Retired	(11)	(1)	12	0	0	0
Died, with beneficiary	0	0	0	0	0	0
Died, no beneficiary	0	0	(6)	0	0	(6)
New member	0	0	0	0	0	0
Correction	0	0	0	0	0	0
<b>Count as of July 1, 2014</b>	170	30	104	0	5	309
<b>Police</b>						
<b>Count as of July 1, 2013</b>	46	2	39	0	6	93
Terminated, paid refund	(1)	0	0	0	0	(1)
Terminated, benefits due	0	0	0	0	0	0
Retired	0	0	0	0	0	0
Died, with beneficiary	0	0	0	0	0	0
Died, no beneficiary	0	0	(2)	0	0	(2)
New member	2	0	0	0	0	2
Correction	0	0	0	0	0	0
<b>Count as of July 1, 2014</b>	47	2	37	0	6	92

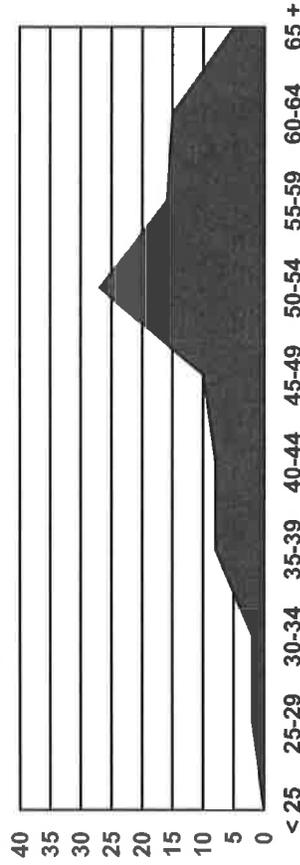
**Section V - Membership Data**  
**B. Statistics of Active Membership**

	As of July 1, 2013	As of July 1, 2014	Change
<b>Number of Active Members</b>			
Town	101	93	(8)
Board of Education	188	170	(18)
Police	<u>46</u>	<u>47</u>	<u>1</u>
Total	335	310	(25)
<b>Total Annual Compensation</b>			
Town	\$6,692,979	\$6,355,856	(\$337,123)
Board of Education	6,311,262	5,997,518	(313,744)
Police	<u>4,721,092</u>	<u>4,991,567</u>	<u>270,475</u>
Total	17,725,333	17,344,941	(380,392)
<b>Average Compensation</b>			
Town	\$66,267	\$68,343	\$2,076
Board of Education	33,571	35,280	1,709
Police	102,632	106,204	3,572
Total	52,911	55,951	3,040
<b>Average Age</b>			
Town	51.0	51.7	0.7
Board of Education	53.4	53.9	0.5
Police	39.3	40.4	1.1
Total	50.7	51.2	0.5
<b>Average Service</b>			
Town	14.0	14.4	0.4
Board of Education	11.7	12.3	0.6
Police	12.5	13.2	0.7
Total	12.5	13.1	0.6

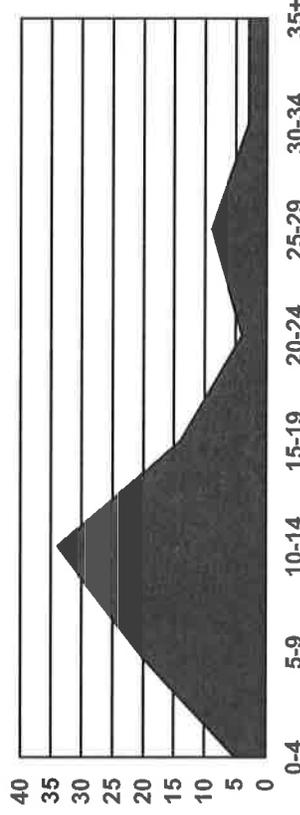
**Section V - Membership Data**  
**C. Distribution of Active Members as of July 1, 2014 - Town**

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	0	0	0
25-29	0	2	0	0	0	0	0	0	0	0	0	2
30-34	0	2	0	0	0	0	0	0	0	0	0	2
35-39	0	3	4	1	0	0	0	0	0	0	0	8
40-44	0	1	4	3	0	0	0	0	0	0	0	8
45-49	0	5	3	0	0	2	0	0	0	0	0	10
50-54	4	5	6	5	1	5	1	0	0	0	0	27
55-59	0	2	7	1	3	1	1	1	1	1	1	16
60-64	1	1	6	4	0	1	1	1	1	1	1	15
65 +	0	0	4	0	0	0	0	0	0	0	0	5
<b>Total</b>	<b>5</b>	<b>21</b>	<b>34</b>	<b>14</b>	<b>4</b>	<b>9</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>93</b>

Distribution By Age



Distribution by Years of Service

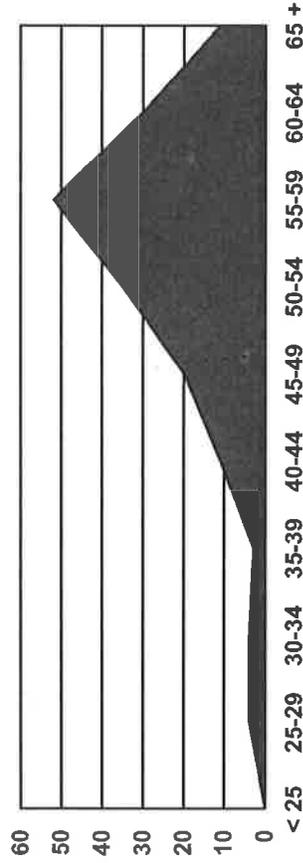


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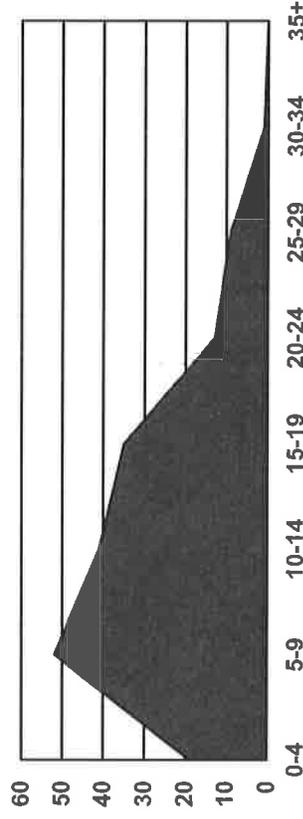
**Section V - Membership Data**  
**C. Distribution of Active Members as of July 1, 2014 - Board of Education**

Age	Years of Service											Total		
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	35+	35+			
< 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	2	2	0	0	0	0	0	0	0	0	0	0	0	4
30-34	1	1	2	0	0	0	0	0	0	0	0	0	0	4
35-39	0	3	0	0	0	0	0	0	0	0	0	0	0	3
40-44	4	6	1	0	0	0	0	0	0	0	0	0	0	11
45-49	7	10	3	0	0	0	0	0	0	0	0	0	0	20
50-54	2	12	13	5	2	1	0	0	0	0	0	0	0	35
55-59	0	11	14	18	7	2	0	0	0	0	0	0	0	52
60-64	3	6	6	9	2	4	0	0	0	0	0	0	0	30
65 +	0	1	2	3	2	2	1	0	0	0	0	0	0	11
<b>Total</b>	<b>19</b>	<b>52</b>	<b>41</b>	<b>35</b>	<b>13</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170</b>

Distribution By Age



Distribution by Years of Service

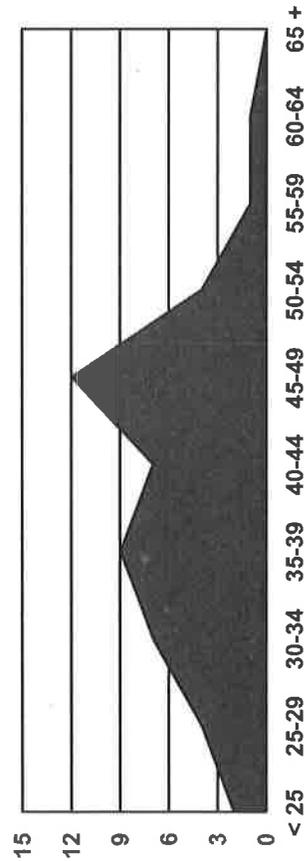


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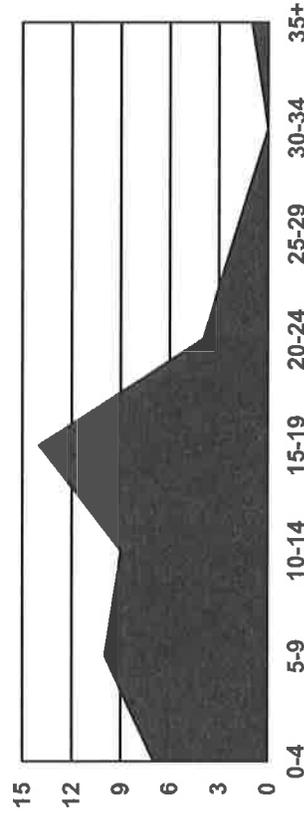
**Section V - Membership Data**  
**C. Distribution of Active Members as of July 1, 2014 - Police**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	2	0	0	0	0	0	0	0	0	0	2
25-29	3	1	0	0	0	0	0	0	0	0	4
30-34	1	5	1	0	0	0	0	0	0	0	7
35-39	0	2	4	3	0	0	0	0	0	0	9
40-44	0	0	1	6	0	0	0	0	0	0	7
45-49	1	2	2	3	3	1	0	0	0	0	12
50-54	0	0	1	1	1	1	0	0	0	0	4
55-59	0	0	0	1	0	0	0	0	0	0	1
60-64	0	0	0	0	0	0	0	0	0	1	1
65 +	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>10</b>	<b>9</b>	<b>14</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>47</b>	

Distribution By Age



Distribution by Years of Service



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**Section V - Membership Data**  
**D. Distribution of Inactive Members as of July 1, 2014**  
**Town**

		Age	Number	Annual Benefits
<b>Terminated Vested Members</b>				
		< 30	0	\$0
		30 - 39	1	0
Count	15	40 - 49	1	0
Average Age	56.6	50 - 59	6	101,627
Total Annual Benefit	\$182,582	60 - 64	6	49,240
Average Annual Benefit *	15,215	65 +	1	31,715
<i>* Excludes Members Due Refunds.</i>		Total	15	182,582
<b>Retired Members</b>				
		< 50	0	\$0
		50 - 59	9	399,696
Count	70	60 - 69	19	522,795
Average Age	73.4	70 - 79	18	421,289
Total Annual Benefit	\$1,580,305	80 - 89	17	193,695
Average Annual Benefit	22,576	90 +	7	42,830
		Total	70	1,580,305
<b>Disabled Retirees</b>				
		< 50	0	\$0
		50 - 59	0	0
Count	0	60 - 69	0	0
Average Age	0	70 - 79	0	0
Total Annual Benefit	\$0	80 - 89	0	0
Average Annual Benefit	0	90 +	0	0
		Total	0	0
<b>Beneficiaries</b>				
		< 50	0	\$0
		50 - 59	0	0
Count	5	60 - 69	1	6,621
Average Age	76.0	70 - 79	3	39,242
Total Annual Benefit	\$59,870	80 - 89	0	0
Average Annual Benefit	11,974	90 +	1	14,007
		Total	5	59,870

**Section V - Membership Data**  
**D. Distribution of Inactive Members as of July 1, 2014**  
**Board of Education**

		Age	Number	Annual Benefits
<b>Terminated Vested Members</b>		< 30	5	\$0
		30 - 39	4	0
Count	30	40 - 49	4	21,223
Average Age	48.5	50 - 59	7	44,040
Total Annual Benefit	\$120,400	60 - 64	6	44,860
Average Annual Benefit *	9,262	65 +	4	10,277
<i>* Excludes Members Due Refunds.</i>		Total	30	120,400
<b>Retired Members</b>		< 50	0	\$0
		50 - 59	1	29,677
Count	104	60 - 69	36	537,573
Average Age	75.1	70 - 79	30	364,306
Total Annual Benefit	\$1,176,202	80 - 89	32	231,208
Average Annual Benefit	11,310	90 +	5	13,438
		Total	104	1,176,202
<b>Disabled Retirees</b>		< 50	0	\$0
		50 - 59	0	0
Count	0	60 - 69	0	0
Average Age	0	70 - 79	0	0
Total Annual Benefit	\$0	80 - 89	0	0
Average Annual Benefit	0	90 +	0	0
		Total	0	0
<b>Beneficiaries</b>		< 50	0	\$0
		50 - 59	1	1,326
Count	5	60 - 69	1	3,660
Average Age	72.8	70 - 79	1	6,789
Total Annual Benefit	\$19,862	80 - 89	2	8,087
Average Annual Benefit	3,972	90 +	0	0
		Total	5	19,862

**Section V - Membership Data**  
**D. Distribution of Inactive Members as of July 1, 2014**  
**Police**

		Age	Number	Annual Benefits
<b>Terminated Vested Members</b>				
		< 30	1	\$0
		30 - 39	0	0
Count	2	40 - 49	1	22,200
Average Age	36.0	50 - 59	0	0
Total Annual Benefit	\$22,200	60 - 64	0	0
Average Annual Benefit	11,100	65 +	0	0
		Total	2	22,200
<b>Retired Members</b>				
		< 50	0	\$0
		50 - 59	12	665,489
Count	37	60 - 69	12	584,041
Average Age	65.6	70 - 79	10	619,470
Total Annual Benefit	\$1,948,520	80 - 89	3	79,520
Average Annual Benefit	52,663	90 +	0	0
		Total	37	1,948,520
<b>Disabled Retirees</b>				
		< 50	0	\$0
		50 - 59	0	0
Count	0	60 - 69	0	0
Average Age	0	70 - 79	0	0
Total Annual Benefit	\$0	80 - 89	0	0
Average Annual Benefit	0	90 +	0	0
		Total	0	0
<b>Beneficiaries</b>				
		< 50	0	\$0
		50 - 59	2	50,444
Count	6	60 - 69	1	33,637
Average Age	68.2	70 - 79	1	37,050
Total Annual Benefit	\$160,911	80 - 89	2	39,780
Average Annual Benefit	26,819	90 +	0	0
		Total	6	160,911

## Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal 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, 2009, the amortization period is 30 years for the Town and Board of Education and 25 years for Police; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

The **Actuarial Value of Assets** is determined by recognizing asset gains and losses over five years.

## Appendix B - Actuarial Assumptions

<b>Interest</b>	Current Year: 7.450% Prior Year: 7.625%														
<b>Salary Scale</b>	<u>Town and Board of Education</u> <table><thead><tr><th>Service</th><th>Increase</th></tr></thead><tbody><tr><td>1-6 years</td><td>5.50%</td></tr><tr><td>7+ years</td><td>3.00%</td></tr></tbody></table> <u>Police</u> <table><thead><tr><th>Service</th><th>Increase</th></tr></thead><tbody><tr><td>1 year</td><td>8.00%</td></tr><tr><td>2-4 years</td><td>5.25%</td></tr><tr><td>5+ years</td><td>3.00%</td></tr></tbody></table>	Service	Increase	1-6 years	5.50%	7+ years	3.00%	Service	Increase	1 year	8.00%	2-4 years	5.25%	5+ years	3.00%
Service	Increase														
1-6 years	5.50%														
7+ years	3.00%														
Service	Increase														
1 year	8.00%														
2-4 years	5.25%														
5+ years	3.00%														
<b>Amortization Growth Rate</b>	4.00%														
<b>Cost of Living Adjustment</b>	Applies to Police plan only. 2.25% for COLAs capped at 3%. 2.65% for COLAs capped at 4%.														
<b>Expenses</b>	Actual administrative expenses paid from the plan in the fiscal year preceding the valuation date, increased by 3% and rounded to the nearest \$100.														
<b>Healthy Mortality</b>	RP-2000 Mortality Table for Employees and Healthy Annuitants, Male and Female, with generational projection per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.														
<b>Disabled Mortality</b>	RP-2000 Disabled Mortality Table for males and females. This assumption does not include a margin for improvements in longevity beyond the valuation date.														
<b>Retirement</b>	<u>Town and Board of Education</u> 20% at Rule of 80 3% at all other ages between 55 and 60 8% at all other ages between 61 and 64 20% at age 65 15% at all other ages between 66 and 79 100% at age 80  <u>Police</u> 50% at any age with 25 years of service 5% at all other ages between 45 and 51 20% at all other ages between 52 and 54 40% at all other ages between 55 and 59 100% at age 60														

## Appendix B - Actuarial Assumptions

### Turnover

#### Town and Board of Education

<b>Service</b>	<b>Rate</b>
0-2 years	7.5%
3-5 years	5.5%
6-9 years	3.5%
10+ years	2.0%

#### Police

50% are assumed to leave after the first year of service and none are assumed to leave thereafter.

### Disability

Applies to Police plan only - per the following table:

<b>Age</b>	<b>Rate (per 1000 lives)</b>
20	0.375
30	0.485
40	0.850
50	2.545
60	7.210

### Marital Status

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

### Unused Sick Time

#### Town Local 818, Local 1303-40, and Local 1303-408

Active liabilities and costs have been increased by 1.75% to reflect the expected trade-in of unused sick time at retirement.

## 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.

<b>Effective Date</b>	July 1, 1966
<b>Employees Covered</b>	Any permanently employed person excluding persons whose customary employment is for less than an average of 20 or more hours per week in one year and persons contributing to the Connecticut State Teachers Retirement System.
<b>Eligibility</b>	All covered employees from date of hire. Effective August 1, 2012, no new members of the Board of Education custodial union will be covered by this plan. Effective July 1, 2012, no other new members of the Town or the Board of Education will be covered by this plan.
<b>Employee Contributions (excludes contributions for retiree medical benefits)</b>	<u>Police</u> : 7.5% of Basic Monthly Earnings. <u>Town (excluding Library)</u> : 3.0% of Basic Monthly Earnings. <u>Town Local 818 and 1303-408</u> : 4.0% of Basic Monthly Earnings. <u>Town Local 1303-40 and Library</u> : 4.5% of Basic Monthly Earnings. 1303-40 will be 5.0% on 7/1/2015. <u>Board of Education Nurses and Secretarial/Clerical/Paraprofessional Unions</u> : 6.0% of Basic Monthly Earnings. <u>Board of Education Other</u> : 5.0% of Basic Monthly Earnings.
<b>Continuous Service (Used for Vesting Purposes)</b>	The uninterrupted period of employment with the Town. (In practice Police employees are required to complete a probationary period before being considered permanent employees.)
<b>Credited Service (Used for Benefit Purposes)</b>	Full years of Continuous Service with the Town.
<b>Average Monthly Earnings</b>	Average of the Basic Monthly Earnings paid to a member during the highest 3 consecutive years of active employment. Basic Monthly Earnings is basic salary including overtime, holiday pay, private police duty, bonus pay, and longevity pay and picked up employee contributions but exclusive of any other special consideration or other extra compensation. Overtime pay will not be included in Basic Monthly Earnings for Police employees hired on or after July 1, 2012.

## Appendix C - Summary of Plan Provisions

### Normal Retirement Date

#### Police

Earlier of age 55 with 15 years of Continuous Service or any age with 25 years of Continuous Service.

#### Town and Board of Education

Earliest of:

- age 65 with 5 years of Participation
- age 55 with 25 years of Continuous Service
- age plus Credited Service greater than or equal to 80, but not earlier than age 50 (age 55 for Board of Education Custodians)

### Normal Retirement Benefit

#### Police

For Officers hired prior to July 1, 2006 that retire on or after July 1, 2006, the benefit multiplier is 2% per year of service, plus an additional 10% after 20 years of service, plus an additional 5% after 25 years of service, with a maximum of 75%. For Officers hired after July 1, 2006, the benefit multiplier is 2.25% per year of service, with a maximum of 72%.

#### Board of Education

2% of Average Monthly Earnings times Credited Service up to 35 years. The benefit multiplier is increased to 2.25% for service after July 1, 2012 for the Nurses and Secretarial/ Clerical/ Paraprofessional unions.

#### Town (excluding Library and certain Administrative employees)

2% of Average Monthly Earnings times Credited Service up to 35 years.

#### Town Local 818, Local 1303-408

2.00% of Average Monthly Earnings times Credited Service through June 30, 2011 plus 2.25% of Average Monthly Earnings times Credited Service after July 1, 2011; Credited Service is capped at 35 years.

#### Town Local 1303-40

2.00% of Average Monthly Earnings times Credited Service through June 30, 2010 plus 2.25% of Average Monthly Earnings times Credited Service after July 1, 2010; Credited Service is capped at 35 years.

#### Certain Administrative Employees

2.5% of Average Monthly Earnings times Credited Service up to 35 years.

#### Library

2.00% of Average Monthly Earnings times Credited Service through June 30, 2012 plus 2.25% of Average Monthly Earnings times Credited Service after July 1, 2012.

## Appendix C - Summary of Plan Provisions

<b>Early Retirement Date</b>	<u>Police</u> Age 45 with 15 years of Continuous Service or any age with 20 years of Credited Service.  <u>Town and Board of Education</u> Age 55 with 10 years of Continuous Service.
<b>Early Retirement Benefit</b>	Benefit based on Average Monthly Earnings and Credited Service to date of actual retirement reduced by 0.5% for each month by which date of actual retirement precedes Normal Retirement. Benefits for Police with 20 or more years of service are not reduced.
<b>Deferred Retirement Date</b>	Members may continue beyond Normal Retirement.
<b>Deferred Retirement Benefit</b>	Benefit based on Average Monthly Earnings and Credited Service to date of actual retirement.
<b>Preretirement Death Benefit</b>	<u>Police</u> 50% of Basic Monthly Earnings; if death occurs in the line of duty benefit is 100% of Basic Monthly Earnings.  <u>Town and Board of Education</u> Age 55 with 15 years of Credited Service and with a surviving spouse: 50% of the monthly retirement benefit which member would have received had member retired on the day before death.
<b>Postretirement Death Benefit</b>	Return of Contributions in excess of payments made.
<b>Disability Retirement</b>	A Police employee who becomes disabled for reasons which are work related shall apply for Long Term Disability (LTD) benefits. If granted the Town shall continue to grant Credited Service for Normal Retirement Benefit for the term of LTD benefits or to a maximum of 25 years, whichever is less. If LTD benefits are denied or discontinued, the Police employee shall receive a disability retirement benefit based on 2% Average Monthly Earnings for each year of Credited Service with a minimum of 50%.

## Appendix C - Summary of Plan Provisions

### Cash Vesting

Less than 5 years of Continuous Service - return of contributions with interest.

5 years of Continuous Service and age 45 or more if Police or age 55 or more if Town or Board of Education employee - elective return of contributions with interest.

5 years of Continuous Service and less than age 45 if Police or less than age 55 if Town or Board of Education employee - elective return of contributions with interest plus a portion of the purchase payment fund determined at termination of employment.

Cash vesting does not apply to Town Administrative staff.

### Vested Benefit

Benefit based on Credited Service to date of determination, multiplied by the applicable vesting percentage (see below), payable at Normal Retirement Date (for Police employees), or age 65 (for Town or Board of Education employees), if earlier.

If a member ceases contributions under the plan, this is considered termination of employment for purposes of Vesting.

A member who has completed at least 5 years of Continuous Service and who terminates employment prior to his or her Normal or Early Retirement Date shall be entitled to the benefit which can be purchased by any contributions plus a percentage of the Retirement Benefit payable commencing the first of the month coincident with or next following the later of age 65 or date of termination of employment for a Town or Board of Education employee and on what would have been Normal Retirement Date for a Police employee in the same form as the Normal Retirement Benefit but based on Credited Service to date of termination of employment determined in accordance with the following table:

<u>Full Years of Continuous Service</u>	<u>Percentage</u>
5 years but less than 6	50%
6 years but less than 7	60%
7 years but less than 8	70%
8 years but less than 9	80%
9 years but less than 10	90%
10 years or more	100%

## Appendix C - Summary of Plan Provisions

### Cost of Living Adjustment (Police Only)

Hired before July 1, 1976: inflation capped at 4% commencing in April of the year following the calendar year in which the Employee retires.

Hired on or after July 1, 1976 and retired before July 1, 2007: inflation capped at 4% commencing in April of the year following the calendar year in which the Employee reaches age 62. Effective July 1, 1995, inflation capped at 3% commencing in April of the year following the calendar year in which the Employee reaches age 58.

Hired on or after July 1, 1976 but prior to July 1, 2007, and retired on or after July 1, 2007 with a minimum of 25 years of credited service: inflation capped at 4% commencing in April of the year following the calendar year in which the Employee retires.

Hired on or after July 1, 2007 and retired with a minimum of 25 years of Credited Service: inflation capped at 3% commencing in April of the year following the calendar year in which the Employee reaches age 55.