



ACUFF & ASSOCIATES
The Retirement Plan Authority

A BETTER PLAN. A BETTER PARTNER. A BETTER RETIREMENT.

Actuarial Valuation Report As of January 1, 2016

Prepared for

CITY OF FRANKLIN EMPLOYEES' PENSION PLAN AND TRUST

BRENTWOOD, TENNESSEE 37027
OFFICE: (615) 726-2410

MEMPHIS, TENNESSEE 38133
OFFICE: (901) 767-3366

www.acuff.net

KNOXVILLE, TENNESSEE 37923
OFFICE: (865) 470-4232

SHREVEPORT, LOUISIANA 71119
OFFICE: (318) 635-8006

Contents of Report

INTRODUCTION.....	2
ACTUARIAL CERTIFICATION.....	4
EXECUTIVE SUMMARY OF PRINCIPAL VALUATION RESULTS.....	5
SECTION 1 – SUMMARY OF VALUATION RESULTS.....	6
SECTION 1.1 – RECONCILIATION OF PLAN ASSETS	7
SECTION 1.2 – ACTUARIAL RESULTS.....	9
SECTION 1.3 – ACTUARIAL EXPERIENCE	10
SECTION 1.4 – DEVELOPMENT OF FUNDING ALTERNATIVES	12
SECTION 1.5 – GASB STATEMENT NOS. 67 & 68 RESULTS.....	14
SECTION 2 – BASIS OF VALUATION.....	21
SECTION 2.1 – SUMMARY OF PLAN PROVISIONS.....	22
SECTION 2.2 – ACTUARIAL BASIS	29
SECTION 2.3 – CENSUS DATA.....	37
SECTION 3 – SUPPLEMENTAL INFORMATION.....	39
SECTION 3.1 – HISTORICAL YEARLY COMPARISON	40
SECTION 3.2 – ACTIVE PARTICIPANT DEMOGRAPHIC TABLES.....	41
SECTION 3.3 – INACTIVE PARTICIPANT DEMOGRAPHIC TABLES.....	48

Introduction

This report has been prepared for the City of Franklin (the "City") by Acuff & Associates, Inc. to:

1. Present the results of a valuation of the City of Franklin Employees' Pension Plan (the "Plan") for the plan year beginning January 1, 2016
2. Review the experience of the Plan for the period ended December 31, 2015
3. Provide the City with the recommended contribution under the Plan for the City's fiscal year beginning July 1, 2016
4. Provide reporting and disclosure information for government agencies and other interested parties

This report contains the results of four classifications, or tiers, of pension benefits for employees.

Tier one: Employees hired before July 1, 2006

Tier two: Employees hired between July 1, 2006 and February 15, 2010

Tier three: Employees hired after February 15, 2010 who elected to contribute to the Plan.

Tier four: Employees hired after February 15, 2010 who elected to contribute to a defined contribution plan. This valuation holds no liability for this group even though there is a possibility of joining the Plan at a later date.

Note: It appears that the contribution to the 401(a) defined contribution plan is sufficient to provide the expected benefit that could accrue for Tier Four employees under the provisions of the Plan.

This report is divided into the following three sections:

Section 1 contains the actuarial results of the valuation. It includes the experience and reporting disclosure for the plan year ending December 31, 2015 and the current normal cost and expected contribution for the year beginning January 1, 2016.

Introduction (Continued)

Section 1.4 shows the determination of the City's recommended contribution for the fiscal year beginning July 1, 2016 as summarized below.

	07/01/2016	4 Quarterly Contributions
Recommended Contribution	\$ 3,786,498	\$ 3,888,628
As a Percent of Expected Covered Payroll	12.45%	12.79%

Section 1.5 provides GASB (Government Accounting Standards Board) Statement Number 67 Information.

Section 2 summarizes the Plan's provisions, provides information relating to the Plan's participants, and describes the funding methods and actuarial assumptions used in determining actuarial liabilities and costs.

Section 3 contains historical information and active participant demographic tables.

Actuarial Certification

The information and valuation results shown in this report are, to the best of our knowledge, complete and accurate. The information presented in this report is based upon the following:

- Employee census data as of January 1, 2016, submitted by the City, which appears to be reasonable and sufficient for the purpose of this report
- Asset information as of December 31, 2015, reported by US Bank and Trust, which appears to accurately represent the assets of the Plan
- Actuarial assumptions and methods, which, individually and in combination, represent our best estimate of anticipated experience under the Plan
- Actuarial assumptions, which are reasonable and relate to the experience of the Plan
- Interpretation of Plan provisions as summarized in this report

The amounts presented in the exhibits of this report were determined in accordance with generally accepted actuarial methods and practices and fully disclose the actuarial position of the Plan. Reliance was placed on census and financial information as listed above.

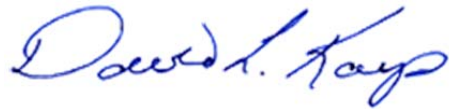
The undersigned are available to answer any questions with respect to this report.

Respectfully submitted,

Acuff & Associates, Inc.

June 15, 2016

Date Signed



David F. Kays, ASA, MAAA

June 15, 2016

Date Signed



John R. Rath, FCA, MAAA

Executive Summary of Principal Valuation Results

A summary of the principal valuation results from the current valuation and last year's valuation follows:

Summary of Data	Actuarial Valuation as of	
	01/01/2016	01/01/2015
Number of Participants Included in Valuation		
Active Participants	564	560
Vested Terminated Participants	156	146
Disabled Participants	4	4
Retired Participants and Beneficiaries	170	155
Total	894	865
Expected Covered Payroll for Participants Included in the Valuation	\$ 30,410,847	\$ 28,177,068
Summary of Actuarial Results		
Present Value of Benefits	\$ 121,009,985	\$ 110,699,479
Actuarial Accrued Liability	\$ 108,425,076	\$ 97,426,953
Unfunded Actuarial Accrued Liability	\$ 21,592,665	\$ 8,003,807
Net Normal Cost	\$ 1,911,994	\$ 2,093,993
Normal Cost Rate	6.29%	7.43%
Recommended Contribution Paid Quarterly	\$ 3,888,628	\$ 2,846,724
As a Percent of Payroll	12.79%	10.09%
Summary of Actuarial Value of Plan Assets and Actuarial Present Values		
Actuarial Value of Plan Assets on the Valuation Date	\$ 86,832,411	\$ 89,423,146
Actuarial Present Value of Accumulated Plan Benefits	\$ 90,511,186	\$ 84,467,387
Funding Ratio	95.94%	105.87%

Section 1 – Summary of Valuation Results

This section sets forth the results of the actuarial valuation.

Section 1.1 – Reconciliation of Plan Assets

Section 1.2 – Actuarial Results

Section 1.3 – Actuarial Experience

Section 1.4 – Development of Funding Alternatives

Section 1.5 – GASB Statement No. 67 & 68 Results

Section 1.1 – Assets

Reconciliation of Assets

The following is a summary of the asset information as submitted by US Bank.

1.	Market Value of Trust Assets as of January 1, 2015	\$ 89,423,146
2.	Contributions and Disbursements	
	a. Employer Contributions	\$ 2,846,724
	b. Employee Contributions	525,364
	c. Benefit Payments	(3,699,996)
	d. Expenses	(584,138)
	e. Transferred	0
	f. Net	<u>\$ (912,046)</u>
3.	Investment Income	
	a. Interest/Dividends	\$ N/A
	b. Realized Gain/(Loss)	N/A
	c. Unrealized Gain/(Loss)	N/A
	d. Other Adjustments	N/A
	e. Net Investment Income/(Loss)	<u>(1,678,689)</u>
4.	Market Value of Trust Assets as of December 31, 2015	\$ 86,832,411
	(1) + (2f) + (3e)	
5.	Rate of Return	-1.89%
6.	Rate of Return Net of Expenses	-2.54%

Section 1.1 – (Continued)**Reconciliation of Cash Balance Employee Contributions**

	<u>Mandatory</u>	<u>Voluntary</u>	<u>Rollover</u>	<u>Totals</u>
1. As of 01/01/2015	\$5,658,773.60	\$ 263,977.66	\$ 0.00	\$5,922,751.26
2. Employee Contributions	260,088.32	13,036.59	0.00	273,124.91
3. Interest Credited	337,291.79	15,063.42	0.00	352,355.21
4. Payouts	(199,580.61)	(33,438.04)	0.00	(233,018.65)
5. Adjustments	0.00	0.00	0.00	0.00
6. Totals as of 12/31/2015	<u>\$6,056,573.10</u>	<u>\$ 258,639.63</u>	<u>\$ 0.00</u>	<u>\$6,315,212.73</u>

Mandatory Employee Contributions

	<u>Total Accumulated</u>	<u>2015 Contribution</u>
Tier 3	\$ 442,902	\$ 224,021
Tier 4	\$ 358,745	\$ 189,947

Section 1.2 – Actuarial Results

The following schedule shows the development of the Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Normal Cost at the current valuation date and compared to the previous valuation date.

	2016 Valuation @ 7.50%	2015 Valuation @ 7.50%
1. Actuarial Accrued Liability		
a. Active Participants	\$ 52,316,028	\$ 48,807,746
b. Cash Balance Accounts	6,315,213	5,922,751
c. Retired Participants and Beneficiaries	45,093,564	38,528,008
d. Vested Terminated Participants	4,524,075	3,996,494
e. Disabled Participants	176,196	171,954
Total	<u>\$ 108,425,076</u>	<u>\$ 97,426,953</u>
2. Actuarial Value of Assets	<u>86,832,411</u>	<u>89,423,146</u>
3. Unfunded Actuarial Accrued Liability (1) - (2)	\$ 21,592,665	\$ 8,003,807
4. Contribution		
a. Normal Cost	\$ 1,911,994	\$ 2,093,993
b. Expected Employee Contribution	<u>(259,586)</u>	<u>(175,680)</u>
c. Net Normal Cost	\$ 1,652,408	\$ 1,918,312
d. As a Percent of Pay	5.43%	6.80%
e. Amortization Payment	1,999,615	755,201
f. January 1, Payment (c. + e.)	\$ 3,652,023	\$ 2,673,513
g. December 31, Payment (f. * 1.075)	\$ 3,925,925	\$ 2,874,027
h. Estimated Covered Payroll	\$ 30,410,847	\$ 28,205,179
i. As a Percent of Covered Payroll (g / h)	12.91%	10.19%
j. Contribution at July 1, 2016 (f * 1.075 ^{.5})	\$ 3,786,498	\$ 2,771,958
k. As a Percent of Covered Payroll (j / h)	12.45%	9.83%

Section 1.3 – Actuarial Experience

For the cost determined in this report, we used the Entry Age Normal Cost method. Under the Entry Age Normal Cost method, the experience gain or loss is determined by comparing the Expected Unfunded Actuarial Accrued Liability as if all actuarial assumptions had been exactly met during the past plan year to the Actual Unfunded Actuarial Accrued Liability at the valuation date. If the Expected Unfunded Actuarial Accrued Liability exceeds the Actual Unfunded Actuarial Accrued Liability, there is an actuarial gain; conversely, if the Expected Unfunded Actuarial Accrued Liability is less than the Actual Unfunded Actuarial Accrued Liability, there is an actuarial loss.

During the past plan year, the Plan experienced a total net actuarial loss of \$13.6 Million. The total loss is comprised of the following: (1) an asset loss of \$8.3 Million – the actual return on Plan assets was less than the assumed rate of return of 7.50%, (2) a liability loss of \$3.5 Million - the actual Plan experience differed from assumptions related to mortality, salary increases and retirement, and (3) a \$1.9 Million loss due to a change in determining the costs under the Entry Age Normal Cost method. This change decreased the normal cost component of funding and increased the liability and amortization components.

Section 1.3 – Actuarial Experience - (Continued)

1.	Unfunded Actuarial Accrued Liability/(Surplus) as of 01/01/2015	\$ 8,003,807
2.	Expected Increases During the Year	
	a. Normal Cost Due at the Beginning of the Year	\$ 2,093,993
	b. Interest for One Year On	
	(i) Normal Cost	\$157,049
	(ii) Unfunded Actuarial Accrued Liability	600,286
	Total Interest (i) + (ii)	<u>\$757,335</u>
	c. Total Expected Increases (a) + (b)	\$2,851,328
3.	Expected Decreases During the Year	
	a. Employer Contributions for the Year	\$ 2,846,724
	b. Interest on Employer Contributions from Date of Contribution to the end of the Year	<u>\$53,376</u>
	c. Total Expected Decreases (a) + (b)	\$2,900,100
4.	Expected Unfunded Actuarial Accrued Liability/(Surplus) at End of Year (1) + (2c) - (3c)	\$ 7,955,035
5.	Actual Unfunded Actuarial Accrued Liability/(Surplus)	<u>21,592,665</u>
6.	Actuarial Experience Gain/(Loss) for the Year	<u><u>\$ (13,637,630)</u></u>

Section 1.4 – Funding

IRC (Internal Revenue Code) Section 404(a)(1) describes the limitations on tax deductible contributions to a pension trust, and IRC Section 412 sets forth minimum funding standards for non-government entities. Since the City is a government entity and tax consequences can be affected by factors not considered here, we recommend the City seek the advice of counsel with respect to the tax consequences of any contribution to be made. Furthermore, state tax law may differ from federal tax law; the amounts determined below may have some tax consequences to the City and its employees.

On the basis of the valuation as of January 1, 2016, the following is the determination of the recommended contribution amount for the City's fiscal year beginning July 1, 2016.

The recommended contribution is the Normal Cost plus 17-year amortization of the current unfunded accrued liability, plus 20-year amortization of any future actuarial gains or losses after 2016, plus interest to the date the contribution is actually deposited.

Recommended Quarterly Contribution

Recommended Contribution Schedule	2016 Valuation	2015 Valuation
1. Net Normal Cost	\$ 1,652,408	\$ 1,918,312
Amortization Payment	1,999,615	755,201
2. Recommended Contribution at January 1	\$ 3,652,023	\$ 2,673,513
3. Recommended Contribution July 1	\$ 3,786,498	\$ 2,771,958
4. As a Percent of Expected Covered Payroll	12.45%	9.83%
5. Interest to December 31	\$ 273,902	\$ 200,514
6. Recommended Contribution December 31	\$ 3,925,925	\$ 2,874,027
7. As a Percent of Expected Covered Payroll	12.91%	10.19%
8. Quarterly Contributions		
July 1, 2016 / July 1, 2015	\$ 972,157	\$ 711,681
October 1, 2016 / October 1, 2015	972,157	711,681
January 1, 2017 / January 1, 2016	972,157	711,681
April 1, 2017 / April 1, 2016	972,157	711,681
Total	\$ 3,888,628	\$ 2,846,724
9. As a Percent of Expected Covered Payroll	12.79%	10.09%
Estimated Covered Payroll	\$ 30,410,847	\$ 28,205,179
Estimated City Payroll	\$ 29,791,272	N/A
July 1 Contribution as Percent of City Payroll	12.71%	N/A

Section 1.4 – Funding

Amortization Schedule for Unfunded Actuarial Accrued Liability

Type of Amortization Base	Date Amortization Base Established	Years Remaining to Amortize Base	Initial Balance of Amortization Base	Outstanding Balance of Amortization Base	Amortization Payment
2014 Unfunded	01/01/2014	16	\$4,291,887	\$4,042,271	\$411,338
2015 Experience Loss	01/01/2015	19	\$3,768,423	\$3,681,402	\$343,863
2016 Experience Loss	01/01/2016	20	\$13,637,630	\$13,637,630	\$1,244,414
Total				\$21,361,303	\$1,999,615

Section 1.5 – GASB Statement Nos. 67 & 68 Results

Statement Nos. 67 & 68 of the Government Accounting Standards Board (GASB 67 & 68) is effective for the plan years ending December 31, 2015 and fiscal years ending June 30, 2016. The measurement date for GASB 68 is December 31. The following information is intended to satisfy the GASB reporting requirements. The following information is contained in Section 1.1 of this report

- Statement of Fiduciary Net Position
- Statement of Change in Fiduciary Net Position
- Investment Information
- Schedule of Investments

The following information is contained in this Section of the report:

- Schedule of Changes in Plan's Net Pension Liability
- Changes in Plan's Net Pension Liability
- Net Pension Liability
- Discount Rate Sensitivity
- Schedule of Investment Return
- Schedule of Contributions
- Components of Net Pension Expense
- Amortization Schedule of Asset Earnings Losses/(Gains)
- Amortization Schedule of Difference in Actuarial Experience

Fiduciary Net Position is the amount of assets available for pension benefits of the Plan. The Total Pension Liability is the Plan liability determined using assumptions and actuarial methods listed in Section 2.2 of this report. The Net Pension Liability is the difference in the Total Pension Liability and the Fiduciary Net Position.

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

Total Pension Liability	2015	2014
Service Cost	\$ 2,093,993	\$ 1,977,349
Interest	7,209,696	6,583,224
Changes of Benefit Terms	0	0
Differences between Expected and Actual Experience	3,542,156	3,336,925
Changes of Assumptions/Method	1,852,274	0
Benefit Payments, Including Refunds of Member Contributions	(3,699,996)	(3,234,121)
Net Change in Total Pension Liability	\$ 10,998,123	\$ 8,663,377
Total Pension Liability - Beginning	97,426,953	88,763,576
Total Pension Liability - Ending (a)	<u>\$ 108,425,076</u>	<u>\$ 97,426,953</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 2,846,724	\$ 2,354,417
Contributions - Member	525,364	419,334
Net Investment Income	(1,678,689)	5,973,819
Benefit Payments, Including Refunds of Member Contributions	(3,699,996)	(3,234,121)
Administrative Expense	(584,138)	(561,992)
Other	0	0
Net Change in Plan Fiduciary Net Position	\$ (2,590,735)	\$ 4,951,457
Plan Fiduciary Net Position - Beginning	89,423,146	84,471,689
Plan Fiduciary Net Position - Ending (b)	<u>\$ 86,832,411</u>	<u>\$ 89,423,146</u>
Plan's Net Pension Liability - Ending (a) - (b)	<u>\$ 21,592,665</u>	<u>\$ 8,003,807</u>
Plan's Fiduciary Net Position as a Percentage of the		
Total Pension Liability	80.09%	91.78%
Covered-Employee Payroll	\$ 30,362,659	\$ 28,205,179
Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll	71.12%	28.38%

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	(a) Total Pension Liability (TPL)	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (NPL)
Balances as 12/31/2014	\$ 97,426,953	\$ 89,423,146	\$ 8,003,807
Changes for the Year:			
Service Cost	\$ 2,093,993		\$ 2,093,993
Interest	7,209,696		7,209,696
Difference Between Actual and Expected	5,394,430		5,394,430
Contributions - Employer		2,846,724	(2,846,724)
Contributions - Employee		525,364	(525,364)
Net Investment Income		(1,678,689)	1,678,689
Benefit Payments	(3,699,996)	(3,699,996)	0
Administrative Expense		(584,138)	584,138
Net Changes	\$ 10,998,123	\$ (2,590,735)	\$ 13,588,858
Balances as 12/31/2015	\$ 108,425,076	\$ 86,832,411	\$ 21,592,665

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Net Pension Liability (NPL)

Determination of Net Pension Liability

The components of the Net Pension Liability at December 31, 2015

Total Pension Liability	\$ 108,425,076
Plan Fiduciary Net Position	\$ (86,832,411)
Net Pension Liability	\$ 21,592,665

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.09%
--	--------

Sensitivity of Net Pension Liability to changes in the Discount Rate

	6.50%	7.50%	8.50%
	1% Decrease	Current Rate	1% Increase
Net Pension Liability	\$122,818,924	\$108,425,076	\$96,577,390

Schedule of Investment Returns

	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return	-2.54%	6.42%
Net of Investment Expense		

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)**Schedule of Plan Contributions**

	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,846,724	\$ 2,417,920
Contributions in Relation to the Actuarially Determined Contribution	<u>2,846,724</u>	<u>2,354,417</u>
Contribution Deficiency /(Excess)	\$ 0	\$ 63,503
Covered-Employee Payroll	\$30,362,659	\$27,440,025
Contributions as a Percentage of Covered-Employee Payroll	9.38%	8.58%

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Components of Pension Expense	2015	2014
Service Cost	\$ 2,093,993	\$ 1,977,349
Interest on Total Pension Liability	7,209,696	6,583,224
Difference Between Expected and Actual Experience	545,710	208,558
Change of Assumptions	0	0
Employee Contributions	(525,364)	(419,334)
Projected Earnings on Assets	(6,630,904)	(6,297,038)
Difference Between Expected and Actual Earnings	1,726,563	64,644
Pension Plan Administrative Expense	584,138	561,992
Total Expense	\$ 5,003,831	\$ 2,679,395

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Amortization Schedule of Asset Earnings Losses/(Gains)

Increase (Decrease) in Pension Expenses Arising from the Recognition of Difference
Between Projected and Actual Earning of Pension Plan Investments

<u>Year</u>	<u>Difference</u>	<u>Recognition Period</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2014	\$ 323,219	5	\$ 64,644	\$ 64,644	\$ 64,644	\$ 64,644
2015	\$8,309,593	5		1,661,919	1,661,919	1,661,919
Total			\$ 64,644	\$ 1,726,563	\$ 1,726,563	\$ 1,726,563

Amortization Schedule of Difference in Actuarial Experience

Increase (Decrease) in Pension Expenses Arising from the Recognition of the Effects of Difference
Between Expected and Actual Experience

<u>Year</u>	<u>Difference</u>	<u>Recognition Period</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2014	\$3,336,925	16	\$ 208,558	\$ 208,558	\$ 208,558	\$ 208,558
2015	\$5,394,430	16		\$ 337,152	\$ 337,152	\$ 337,152
Total			\$ 208,558	\$ 545,710	\$ 545,710	\$ 545,710

Section 2 – Basis of Valuation

In this section, the basis of the valuation is presented and described. This information (the provisions of the Plan and the census of participants) is the foundation of the valuation, since these are the present facts upon which benefit payments will depend.

The valuation is based upon the premise that the Plan will continue in existence; therefore, future events must also be considered. These future events are assumed to occur in accordance with the actuarial assumptions and concern such events as the earnings of the assets, the number of participants who will remain until retirement as well as their ages at retirement and their expected benefits.

The actuarial assumptions and the actuarial cost method which have been adopted to guide the Plan sponsor in funding the Plan in a reasonable and acceptable manner are described in this section.

Section 2.1 – Summary of the Plan Provisions

Section 2.2 – Description of the Actuarial Valuation Method and Summary of the Actuarial Assumptions

Section 2.3 – Summary of the Census Data used in the Actuarial Valuation

Section 2.1 – Summary of the Plan Provisions

Name of Plan

City of Franklin Employees' Pension Plan

Plan Sponsor & Plan Administrator

City of Franklin

Trustees

City of Franklin

City of Franklin Employee Pension and Trust Investment

Human Resource Director, two (2) members of the Board appointed by the Mayor, two (2) City Employee Representatives elected by the Employee population covered by this Plan, and two (2) Citizen Representatives who shall be appointed initially by the Mayor.

Effective Date

The Plan was originally established effective May 1, 1971. The restated Plan document is effective July 1, 2009. Last amended effective February 15, 2010.

Plan Year

The plan year is the calendar year.

Eligibility

A full-time employee who works 30 hours or more per week will become an active member on the first day of the month after meeting the following requirements:

- Completes one year of continuous service
- Reaches age 21
- An Employee hired on or after February 15, 2010, shall become eligible to participate in the Plan and become a Participant as of the first day of the month immediately following the commencement of the Employee's employment by the City, provided, however, that such Employee shall be eligible to participate in the Plan only upon his election to participate.

Section 2.1 – (Continued)

Credited Service

Credited Service under the Plan is based on completed calendar months during which an Employee has been in continuous employment with the City of Franklin. Periods of absence due to disability, military service, or approved leave are not considered discontinuance of employment.

Plan Compensation

Plan Compensation is W-2 Compensation, including deferrals made under this Plan as mandatory pre-tax employee contributions, any amounts made under a cafeteria (§125) plan, overtime pay, bonuses, holiday pay, fringe benefits (cash or non-cash), deferred compensation, welfare benefits, and other regular pay. Compensation excludes reimbursements or other expense allowances, moving expenses, uniform allowances, and supplemental pay for police officers and firefighters, long-term disability benefits, pay in-lieu-of notice, severance pay, tuition reimbursements, or automobile allowances.

Average Compensation

“Average Compensation” shall mean the average of the Participant’s Compensation over the three (3) consecutive whole calendar years of a Participant’s Employment during which his Compensation was the greatest out of the last ten (10) calendar years, or over a lesser number of Years of Employment actually served provided, however, that for a Participant who was first hired by the City on or after February 15, 2010, “Average Compensation” shall mean the average of the Participant’s Compensation over the five (5) consecutive whole calendar years of a Participant’s Employment during which his Compensation was the greatest out of the last ten (10) calendar years or over a lesser number of Years of Employment actually served.

Accrued Benefit

The Accrued Benefit is determined in the same manner as Normal Retirement Benefit using Average Compensation and Service at date of determination.

Participants’ Cash Balance Accounts are the account balances on the date of determination.

Normal Retirement

Eligibility

Normal retirement occurs at age 65 and completion of 5 years of Plan participation. With respect to employees hired before July 1, 2006, normal retirement occurs when they complete 25 years of service.

Section 2.1 – (Continued)

Benefit

For employees hired before July 1, 1995, the benefit formula is the greater of

- 2% of Average Compensation multiplied by the number of years of Credited Service, less 50% of the monthly Primary Insurance Amount provided under Social Security at the time of retirement, or
- 1% of Average Compensation multiplied by the number of years of Credited Service.

For all retirements and terminations after July 1, 2003, the benefit formula is 2% of Average Compensation multiplied by the number of years of Credited Service.

Cash Balance Accounts

Cash Balance Accounts include the sum of all pre-tax employee contributions, post-tax employee contributions, discretionary City contributions, and interest credits.

Early Retirement

Eligibility

Completion of ten years of Credited Service and attainment of age 55, or completion of 25 years of Credited Service regardless of age.

Benefit

The benefit is determined under the Accrued Benefit formula stated above, which is based on service and compensation to date, and is payable at age 65. A reduced benefit is payable immediately. The reduction for immediate commencement of benefits is 5% per year for each year preceding normal retirement with a prorated adjustment for partial years, rounded to the nearest month. A participant hired before February 15, 2010 who has attained age 62 with twenty years of Credited Service will receive an Early Retirement Benefit without reduction.

Participants hired after July 1, 2006 and before February 15, 2010 can retire after age 55 with at least 25 year of service with no reduction for early retirement.

Participants' Cash Balance Accounts are the account balances on the Early Retirement Date.

Section 2.1 – (Continued)

Late Retirement

Benefit

The late retirement benefit is the greater of the benefit determined under Normal Retirement above calculated as of the Normal Retirement Date actuarially increased to the late retirement date, or the benefit determined under Normal Retirement above recognizing pay and service to the late retirement date.

Participants' Cash Balance Accounts are the account balances on the actual Retirement Date.

Disability Retirement

Eligibility

A participant must be totally and permanently disabled.

Benefit

The benefit is the accrued retirement benefit reduced for early payment or deferred to age 65 if the participant is not otherwise eligible to receive a benefit.

Vesting

A participant will be vested in his Accrued Benefit according to the following schedule adopted after January 1, 2003.

Credited Service	Vested Percentage
Less than 5 years	0%
5 years	100%

A participant is 100% vested immediately in all Cash Balance Accounts.

Death Before Retirement

Eligibility

Attainment of age 21 and one year of Credited Service is required to be eligible for this benefit upon death.

Section 2.1 – (Continued)

Benefit

The beneficiary receives the monthly benefit that can be provided by the actuarial present value of the accrued benefit. If the employee dies before becoming eligible for Early Retirement, the beneficiary may receive a Lump Sum equal to the actuarial present value of the accrued benefit.

Death After Retirement

No benefit is payable unless an optional form of settlement has been elected. Otherwise, the benefit is the employee's contributions, plus interest, less the amount of annuity payments paid.

Annuity Forms

The following forms of settlement are available:

Normal Form

- The normal form for the monthly benefit is a life annuity benefit. However, each participant married at retirement who does not elect otherwise will receive a joint annuity in a reduced amount providing for a 50% continuation to a surviving spouse.
- The normal form for the Cash Balance Accounts is a lump sum. However, it may be converted to an annuity payable for life with a death benefit refund of the account at the Participant's Retirement Date, minus the sum of the monthly payments that have been made.

Optional Forms

- Contingent options at 50%, 75%, or 100% of the benefit being paid to the beneficiary upon death of the retiree
- Five, ten, and fifteen year certain and life annuities
- Social Security adjustment option
- Special option upon request and granted by the City

Contributions

Mandatory Participant Contributions

Employees that elect to participate, who were first hired by the City on or after February 15, 2010, shall make a mandatory contribution to the Plan in an amount equal to 5% of the Participant's Compensation. Employees are 100% vested in total accumulated contribution without interest.

Section 2.1 – (Continued)

Pre-Tax Employee Contributions

Employees hired before July 1, 1995 may contribute from 3% to 10% on a pre-tax basis to a Cash Balance Account. For employees hired on or after July 1, 1995, a 3% pre-tax contribution is required, but an additional contribution up to 7% may be made if elected on a one-time basis.

Post-Tax Employee Contributions

Employees may make a voluntary after-tax contribution of 1% to 10% of annual salary to a Cash Balance Account.

Discretionary City Contributions

The City may make additional contributions to Participants' Cash Balance Accounts on a discretionary basis.

Regular City Contributions

The City will make regular contributions as required to fund the Plan.

Interest on Cash Balance Accounts will be credited each year with interest calculated at the rate for U.S. Treasury Bills as of November 1 of the previous year plus 1%. The minimum interest to be credited will be no less than 6% per year.

Section 2.1 – (Continued)

The rates used to date are:

Year	Rate
1995	9.08%
1996	7.26%
1997	7.48%
1998	7.11%
1999	6.25%
2000	7.15%
2001	6.78%
2002	6.12%
2003	6.00%
2004	6.12%
2005-2016	6.00%

Section 2.2 – Actuarial Basis

What is an Actuarial Valuation?

An actuarial valuation is a mathematical method for measuring the liabilities under a pension plan and for determining a schedule of contributions to finance the plan. The actual cost of a pension plan cannot be determined until its entire experience is complete; however, actuarial techniques determine a pattern of contributions that will finance the liabilities in an orderly fashion. Assumptions are made regarding future experience with regard to the rate of investment return on invested funds; the probability of death, disability, or other termination from employment; the rate of future salary increases; etc. The set of actuarial assumptions and the valuation method selected by the actuary become the basis for making a valuation of the pension plan. The degree of conservatism to be reflected in the actuarial assumptions is a matter of judgment of the actuary and the City offering their best estimates of anticipated experience under the plan.

An actuarial valuation does not determine ultimate pension plan costs; only the actual experience with regard to the many variables involved will establish the true cost of the plan. An actuarial valuation, however, reveals the year to year incidence of contributions necessary to soundly fund pension benefits. The incidence of contributions, also known as funding schedule, may be increasing, level, or decreasing from year to year as a percentage of payroll, depending on the actuarial funding method utilized. Annual actuarial valuations are made to adjust contributions gradually as actual experience emerges. Changes in the assumptions may be required if the experience consistently departs from the valuation assumptions.

Description of Valuation Method - Entry Age Normal Cost Method

Actuarial Liabilities and Contributions shown in this report are computed using the Entry Age Normal Cost Method of funding.

A detailed description of the calculation follows:

The **Normal Cost** is the annual amount that would have to be paid for each member from his original date of entry (employment) to his assumed retirement (termination, disability, or death) date in order to fund his projected benefits, over the whole of his working life (membership in the plan). This computation is made in such a way that each year's annual payment is a level dollar.

The **Unfunded/(Surplus) Actuarial Accrued Liability** is determined by calculating the Present Value of Projected Benefits at that date, and subtracting the Present Value of Future Normal Costs, as determined above, together with any applicable assets of the Fund.

A **Past Service Contribution** (amortization payments) is calculated as the amount needed to fund the Initial Unfunded Actuarial Accrued Liability plus any changes in the Unfunded Actuarial

Section 2.2 – (Continued)

Accrued Liability due to plan changes, assumption changes, or actuarial experience gains / (losses), together with interest thereon, in equal annual installments as required by the regulations. See amortization schedule.

Active participants are treated for funding purpose as terminated participants due to the ceasing of benefit accruals. Therefore, there is no normal cost, and the actuarial accrued liability is equal to the present value of their benefits.

The recommended City's contribution is the Normal Cost plus the Past Service Contribution with interest to expected dates of the contributions.

Economic Actuarial Assumptions

Interest

Funding rates:

Pre-Retirement	7.50% per year, compounded annually, net of expenses
Post-Retirement	7.50% per year, compounded annually, net of expenses

Projected Salary Increase

Salaries are assumed to increase at 3.50% per year.

Cost of Living Increase

Post-Retirement Benefit Increase is assumed to increase at 2.00% per year.

Demographic Actuarial Assumptions

Healthy Mortality

Male:	SOA - RP 2000 Mortality Table for males with blue collar adjustment
Female:	SOA - RP 2000 Mortality Table for females with blue collar adjustment

Post Disablement Mortality

Male:	PBGC for Unhealthy Lives Table for males
Female:	PBGC for Unhealthy Lives Table for females

See the Table at the end of this section for selected rates.

Section 2.2 – (Continued)

Termination or Withdrawal from Service

Male: Twice the T-3 Table less 1951 Group Annuity Table for males

Female: Twice the T-3 Table less 1951 Group Annuity Table for males

See the Table at the end of this section for sample values.

Age at Retirement

See the Table at the end of this section for sample values.

Possibility of Disability

Male: 100% of UAW Table for males

Female: 100% of UAW Table for females

See the Table at the end of this section for selected rates.

Expenses

Plan expenses are reflected in the interest funding rate.

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Disability		Termination
	Males	Females	
20	.0300	.0400	13.1550
25	.0300	.0500	10.5408
30	.0400	.0600	9.6624
35	.0500	.0800	8.9472
40	.0700	.1000	7.6824
45	.1000	.1500	6.4298
50	.1800	.2600	3.0490
55	.3600	.4900	.6688
60	.9000	1.2100	.0000
65	.0000	.0000	.0000

Section 2.2 – (Continued)

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Healthy Mortality		Post-Disability Mortality	
	Males	Females	Males	Females
20	.0345	.0191	4.83	2.63
25	.0376	.0207	4.83	2.63
30	.0726	.0293	3.62	2.37
35	.1087	.0519	2.78	2.14
40	.1371	.0878	2.82	2.09
45	.1793	.1387	3.22	2.24
50	.2412	.1963	3.83	2.57
55	.4196	.2795	4.82	2.95
60	.8270	.4949	6.03	3.31
65	1.5539	1.0398	6.78	3.70
70	2.6758	1.8634	7.39	4.11
75	4.3131	3.0887	8.42	4.92
80	7.0547	4.8953	11.28	7.46
85	11.5077	8.3100	16.82	11.28
90	18.1757	13.6686	25.25	16.82
95	25.9466	19.2564	37.89	25.25
100	34.4556	23.7467	56.84	37.89
105	39.7886	29.3116	85.77	56.84
110	40.0000	36.4617	100.00	100.00
115	40.0000	40.0000		
120	100.0000	100.0000		

Section 2.2 – (Continued)

Retirement Decrements

General for Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25+
Less than 40	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001
41	0.000	0.000	0.000	0.000	0.001
42	0.000	0.000	0.000	0.000	0.001
43	0.000	0.000	0.000	0.000	0.001
44	0.000	0.000	0.000	0.000	0.001
45	0.000	0.000	0.000	0.000	0.001
46	0.000	0.000	0.000	0.000	0.001
47	0.000	0.000	0.000	0.000	0.001
48	0.000	0.000	0.000	0.000	0.001
49	0.000	0.000	0.000	0.000	0.001
50	0.000	0.000	0.000	0.000	0.125
51	0.000	0.000	0.000	0.000	0.125
52	0.000	0.000	0.000	0.000	0.125
53	0.000	0.000	0.000	0.000	0.125
54	0.000	0.000	0.000	0.000	0.125
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.200	0.200	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Retirement Decrements

General for Tiers 2 and 3

Age/Service	< 5	5 to 9	10 to 19	20 to 24	25+
Less than 55	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.500	0.500	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Retirement Decrement

Police and Fire Tiers 2 and 3

Age/Service	< 5	5 to 9	10 to 20	20 to 24	25	26	27	28
Less than 55	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.200	0.200	0.200	0.200
56	0.000	0.000	0.050	0.050	0.200	0.400	0.400	0.400
57	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.600
58	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
59	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
60	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
61	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
62	0.000	0.000	0.250	1.000	1.000	1.000	1.000	1.000
63	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000
64	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000
65	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
66	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
67	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
68	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
69	0.000	0.100	0.100	1.000	1.000	1.000	1.000	1.000
70+	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Other Assumptions

Years of Service Subsequent to the Valuation Date

It is assumed that each participant will earn one year of service in each future year.

Assumed Age of Commencement for Deferred Vested Benefits

Age 65

Assumed Age of Commencement for Disabled Benefits

Age 55

Actuarial Value of Assets

The Actuarial Value of Assets is equal to the Market Value plus any employee and/or employer contributions due for the plan year.

Section 2.3 – Census Data

Description of Participant Data

The valuation was based on information provided by the City of Franklin as of January 1, 2016.

Active employee information consisted of:

- Name
- Employee Identification Number
- Gender
- Date of Birth
- Date of Hire
- 2015 Compensation

Compensation was supplied on an Excel file showing each element of the definition of compensation to reconcile the compensation as reported on the Form W-2 and other reports.

- Post-Tax Contributions for 2015
- Pre-Tax Contributions for 2015
- Mandatory Contribution the pension plan for 2015
- Mandatory Contribution to 401(a) – defined contribution plan for 2015
- 457 Contribution for 2015
- Money Purchase Contribution for 2015

Section 2.3 – (Continued)

Participant Data Reconciliation	Active Participants	Inactive Participants			Total	Expected
		Terminated Deferred Benefits	Disabled With Deferred Benefits	Receiving Benefits		
1. As of January 1, 2015	560	146	4	155	865	
2. Changes in Status:						
a. Age Retirements	(14)	(3)	0	17	0	21
b. Disability Terminations	0	0	0	0	0	1
c. Deaths Without Benefits	(1)	0	0	(2)	(3)	3
d. Deaths With Benefits	0	0	0	(1)	(1)	2
e. Non-Vested Terminations	(19)	N/A	N/A	0	(19)	26
f. Vested Terminations	(16)	16	0	N/A	0	15
g. Expiration of Benefits	N/A	N/A	N/A	0	0	
h. Lump Sums	0	0	0	0	0	
i. Data Correction	0	(3)	0	0	(3)	
j. New Entrants	54	0	N/A	0	54	
3. Net Change	4	10	0	15	29	
4. As of December 31, 2015	564	156	4	170	894	

Section 3 – Supplemental Information

Section 3.1 – Historical Plan Information

Section 3.2 – Active Participant Demographic Profiles

Section 3.3 – Inactive Participant Demographic Profiles

Section 3.1 – Historical Yearly Comparison

	01/01/2012	01/01/2013	01/01/2014	01/01/2015	01/01/2016
Number of Active Participants	591	572	562	560	564
Expected Payroll	\$ 29,869,786	\$ 28,902,947	\$ 27,440,025	\$ 28,177,068	\$ 30,410,847
Average Earnings	\$ 53,723	\$ 51,984	\$ 49,353	\$ 50,678	\$ 54,696
Number of Active Participants Age 65 or Over	14	13	13	12	17
Number of Retired Participants and Beneficiaries	121	128	138	155	170
Pensions to be Paid	\$ 2,286,300	\$ 2,653,331	\$ 2,892,206	\$ 3,367,517	\$ 3,952,053
Number of Vested Terminated Participants	114	123	137	146	156
Annual Pensions to be Paid	\$ 744,140	\$ 811,172	\$ 921,619	\$ 1,041,618	\$ 1,153,844
Number of Disabled Participants	4	4	4	4	4
Annual Pensions to be Paid	\$ 26,302	\$ 26,750	\$ 26,750	\$ 27,411	\$ 27,771
Present Value of Benefits	\$ 95,385,041	\$ 100,695,151	\$ 101,820,337	\$ 110,699,479	\$ 121,009,985
Present Value of Accumulated Benefits	\$ 64,505,222	\$ 69,757,870	\$ 77,113,277	\$ 84,467,387	\$ 90,511,186
Actuarial Value of Assets	\$ 55,241,467	\$ 63,532,465	\$ 84,471,689	\$ 89,423,146	\$ 86,832,411
Normal Cost Rate	6.4%	6.9%	6.8%	7.4%	7.2%
Normal Cost	\$ 1,908,874	\$ 1,988,187	\$ 1,859,464	\$ 2,093,993	\$ 1,911,994
Recommended Contribution as of July 1/Quarterly	\$ 4,251,668	\$ 4,033,372	\$ 2,417,920	\$ 2,846,724	\$ 3,888,628
Contribtuion as rate of Payroll	14.2%	14.0%	8.8%	10.1%	12.8%
Actual Contribution	\$ 3,188,751	\$ 15,072,104	\$ 2,354,417	\$ 2,846,724	N/A

Section 3.2 – Active Participant Demographic Tables

The following demographic tables are presented for the four classifications of participants.

- Table A - Annual Earnings by Age Groups
- Table B - Annual Earnings by Service Groups
- Table C - Service Groups by Age Groups
- Schedule of Annual Benefits for Non-Active Participants

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE A
ANNUAL EARNINGS BY AGE GROUPS**

Age Group	Tier 1			Tier2			Tier 3			ALL		
	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-19	0	\$ 0	\$ 0	0	\$ 0	\$ 0	1	\$ 13,977	\$ 13,977	0	\$ 0	\$ 0
20-24	0	\$ 0	\$ 0	0	\$ 0	\$ 0	8	\$ 232,776	\$ 29,097	8	\$ 232,776	\$ 29,097
25-29	0	\$ 0	\$ 0	3	\$ 141,800	\$ 47,267	25	\$ 728,351	\$ 29,134	28	\$ 870,151	\$ 31,077
30-34	19	\$ 991,293	\$ 52,173	32	\$ 1,695,690	\$ 52,990	23	\$ 769,809	\$ 33,470	74	\$ 3,456,792	\$ 46,713
35-39	49	\$ 2,522,836	\$ 51,486	21	\$ 1,141,431	\$ 54,354	15	\$ 505,328	\$ 33,689	85	\$ 4,169,595	\$ 49,054
40-44	64	\$ 3,659,985	\$ 57,187	23	\$ 1,160,537	\$ 50,458	16	\$ 622,327	\$ 38,895	103	\$ 5,442,849	\$ 52,843
45-49	69	\$ 4,154,239	\$ 60,206	13	\$ 690,768	\$ 53,136	11	\$ 377,966	\$ 34,361	93	\$ 5,222,973	\$ 56,161
50-54	52	\$ 3,051,681	\$ 58,686	10	\$ 467,756	\$ 46,776	7	\$ 260,813	\$ 37,259	69	\$ 3,780,250	\$ 54,786
55-59	29	\$ 1,558,856	\$ 53,754	9	\$ 531,340	\$ 59,038	8	\$ 264,776	\$ 33,097	46	\$ 2,354,971	\$ 51,195
60-64	25	\$ 1,480,612	\$ 59,224	7	\$ 276,802	\$ 39,543	8	\$ 334,658	\$ 41,832	40	\$ 2,092,072	\$ 52,302
65-69	11	\$ 663,488	\$ 60,317	2	\$ 82,215	\$ 41,108	2	\$ 95,040	\$ 47,520	15	\$ 840,744	\$ 56,050
70-74	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
75-79	1	\$ 41,725	\$ 41,725	1	\$ 53,258	\$ 53,258	0	\$ 0	\$ 0	2	\$ 94,982	\$ 47,491
80-84	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
85+	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
TOTAL	319	\$18,124,717	\$ 56,817	121	\$6,241,597	\$ 51,583	124	\$4,191,843	\$ 33,805	564	\$28,558,156	\$ 50,635

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE B
ANNUAL EARNINGS BY SERVICE GROUPS**

Service Group	Tier 1			Tier 2			Tier 3			ALL		
	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-4	0	\$ 0	\$ 0	0	\$ 0	\$ 0	116	\$ 3,847,903	\$ 33,172	116	\$ 3,847,903	\$ 33,172
5-9	17	\$ 848,253	\$ 49,897	121	\$ 6,241,597	\$ 51,583	8	\$ 357,917	\$ 44,740	146	\$ 7,447,766	\$ 51,012
10-14	145	\$ 7,655,463	\$ 52,796	0	\$ 0	\$ 0	0	\$ 0	\$ 0	145	\$ 7,655,463	\$ 52,796
15-19	91	\$ 5,364,582	\$ 58,951	0	\$ 0	\$ 0	0	\$ 0	\$ 0	91	\$ 5,364,582	\$ 58,951
20-24	41	\$ 2,625,206	\$ 64,029	0	\$ 0	\$ 0	0	\$ 0	\$ 0	41	\$ 2,625,206	\$ 64,029
25-29	18	\$ 1,179,741	\$ 65,541	0	\$ 0	\$ 0	0	\$ 0	\$ 0	18	\$ 1,179,741	\$ 65,541
30-34	4	\$ 277,891	\$ 69,473	0	\$ 0	\$ 0	0	\$ 0	\$ 0	4	\$ 277,891	\$ 69,473
35-39	3	\$ 173,581	\$ 57,860	0	\$ 0	\$ 0	0	\$ 0	\$ 0	3	\$ 173,581	\$ 57,860
40+	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	319	\$18,124,717	\$56,817	121	\$6,241,597	\$51,583	124	\$4,205,820	\$33,918	564	\$28,572,133	\$50,660

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE C FOR TIER 1 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS**

AGE GROUP	Service Group									TOTAL	Percentage	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+			
0-19	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	0	0	0	0	0	0	0	0	0	0	0.0%
30-34	0	2	17	0	0	0	0	0	0	0	19	6.0%
35-39	0	3	36	10	0	0	0	0	0	0	49	15.4%
40-44	0	2	22	32	8	0	0	0	0	0	64	20.1%
45-49	0	2	24	22	16	4	1	0	0	0	69	21.6%
50-54	0	4	16	12	11	7	2	0	0	0	52	16.3%
55-59	0	0	15	6	2	4	1	1	0	0	29	9.1%
60-64	0	1	12	5	2	3	0	2	0	0	25	7.8%
65-69	0	2	3	4	2	0	0	0	0	0	11	3.4%
70-74	0	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	0	1	0.3%
80+	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	0	17	145	91	41	18	4	3	0	0	319	100.0%
	0.0%	5.3%	45.5%	28.5%	12.9%	5.6%	1.3%	0.9%	0.0%	0.0%	100.0%	

	Number	Average Age	Average Service
General	148	46.39%	50 16
Fire	88	27.59%	45 16
Police	<u>83</u>	<u>26.02%</u>	<u>45</u> <u>16</u>
Total	319	100.00%	47 16

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE C TIER FOR 2 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS**

AGE GROUP	Service Group									TOTAL	Percentage
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
0-19	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	3	0	0	0	0	0	0	0	3	2.5%
30-34	0	32	0	0	0	0	0	0	0	32	26.4%
35-39	0	21	0	0	0	0	0	0	0	21	17.4%
40-44	0	23	0	0	0	0	0	0	0	23	19.0%
45-49	0	13	0	0	0	0	0	0	0	13	10.7%
50-54	0	10	0	0	0	0	0	0	0	10	8.3%
55-59	0	9	0	0	0	0	0	0	0	9	7.4%
60-64	0	7	0	0	0	0	0	0	0	7	5.8%
65-69	0	2	0	0	0	0	0	0	0	2	1.7%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	1	0.8%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	0	121	0	0	0	0	0	0	0	121	100.0%
	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Average		Average	
	Number	Age	Service	
General	69	57.02%	47	8
Fire	28	23.14%	39	8
Police	<u>24</u>	<u>19.83%</u>	<u>37</u>	<u>8</u>
Total	121	100.00%	73	8

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE C FOR TIER 3 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS**

AGE GROUP	Service Group									TOTAL	Percentage
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
0-19	1	0	0	0	0	0	0	0	0	1	0.8%
20-24	8	0	0	0	0	0	0	0	0	8	6.5%
25-29	25	0	0	0	0	0	0	0	0	25	20.2%
30-34	21	2	0	0	0	0	0	0	0	23	18.5%
35-39	14	1	0	0	0	0	0	0	0	15	12.1%
40-44	15	1	0	0	0	0	0	0	0	16	12.9%
45-49	10	1	0	0	0	0	0	0	0	11	8.9%
50-54	4	3	0	0	0	0	0	0	0	7	5.6%
55-59	8	0	0	0	0	0	0	0	0	8	6.5%
60-64	8	0	0	0	0	0	0	0	0	8	6.5%
65-69	2	0	0	0	0	0	0	0	0	2	1.6%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0.0%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	116	8	0	0	0	0	0	0	0	124	100.0%
	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number	Average Age	Average Service
General	74	41.90%	2
Fire	25	20.16%	2
Police	<u>25</u>	<u>20.16%</u>	<u>2</u>
Total	124	100.00%	2

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE C FOR TIER 4 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS**

AGE GROUP	Service Group									TOTAL	Percentage	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+			
0-19	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	6	0	0	0	0	0	0	0	0	0	6	6.7%
25-29	14	1	0	0	0	0	0	0	0	0	15	16.9%
30-34	15	1	0	0	0	0	0	0	0	0	16	18.0%
35-39	20	0	0	0	0	0	0	0	0	0	20	22.5%
40-44	7	1	0	0	0	0	0	0	0	0	8	9.0%
45-49	6	0	0	0	0	0	0	0	0	0	6	6.7%
50-54	1	0	0	0	0	0	0	0	0	0	1	1.1%
55-59	9	0	0	0	0	0	0	0	0	0	9	10.1%
60-64	7	0	0	0	0	0	0	0	0	0	7	7.9%
65-69	1	0	0	0	0	0	0	0	0	0	1	1.1%
70-74	0	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0	0.0%
80+	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	86	3	0	0	0	0	0	0	0	0	89	100.0%
	96.6%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number	Average Age	Average Service
General	62	69.66%	40
Fire	17	19.10%	35
Police	<u>10</u>	<u>11.24%</u>	<u>41</u>
Total	89	100.00%	39

Section 3.3 – Inactive Participant Demographic Tables

Age	Terminated Vested		Disabled		Retired	
	Number	Benefit	Number	Benefit	Number	Benefit
Under 45	53	\$ 400,024	0	\$ 0	0	\$ 0
45 to 49	23	216,762	0	0	3	86,085
50 to 54	22	163,687	0	0	17	583,374
55 to 59	22	189,983	0	0	24	814,540
60 to 64	26	158,418	1	6,826	25	639,425
65 to 69	9	24,577	2	12,780	50	1,145,921
70 to 74	1	392	1	8,166	21	285,684
75 to 79	0	0	0	0	11	161,879
80 to 84	0	0	0	0	13	182,939
85 to 89	0	0	0	0	3	38,009
90 & up	0	0	0	0	3	14,198
Total	156	\$ 1,153,844	4	\$ 27,771	170	\$ 3,952,053
Average Age	51		68		67	
Average Annual Benefit	\$ 7,396		\$ 6,943		\$ 23,247	