



**Delaware County &
Municipal Employees'
Pension Plan**

**Actuarial Valuation
as of June 30, 2009**

Produced by [Cheiron](#)

January 2010

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January 12, 2010

Board of Pension Trustees
State of Delaware
McArdle Building
860 Silver Lake Boulevard, Suite 1
Dover, Delaware 19904

Dear Members of the Board:

At your request, we have conducted the annual actuarial valuation of the Delaware County & Municipal Employees' Pension Plan as of June 30, 2009. The results of the valuation are contained in this report. The purpose of the valuation is discussed in the Foreword.

This report contains information on Plan assets, as well as analyses which combine asset and liability performance and projections. The report also discloses employer contribution levels, and required disclosures under the Governmental Accounting Standards Board Statement No. 25.

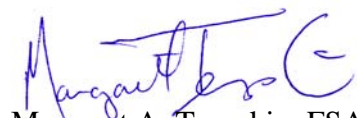
Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief. The results of this report are only applicable to the County and Municipal contributions for Fiscal Year ending 2011 and rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

We hereby certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as Members of the American Academy of Actuaries, we meet the Qualification Standards to render the opinions contained herein.

Sincerely,
Cheiron



Fiona E. Liston, FSA
Consulting Actuary



Margaret A. Tempkin, FSA
Actuary



FOREWORD

Cheiron has performed the actuarial valuation of the Delaware County & Municipal Employees' Pension Plan as of June 30, 2009. The purpose of this report is to:

- 1) **Measure and disclose**, as of the valuation date, the financial condition of the Plan;
- 2) **Indicate trends** in the financial progress of the Plan;
- 3) **Determine the contribution rate** to be paid by the participating employers for Fiscal Year 2011; and
- 4) **Provide specific information** and documentation required by the Governmental Accounting Standards Board (GASB).

An actuarial valuation establishes and analyzes Plan assets and liabilities on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary containing our findings and disclosing important trends experienced by the Plan in recent years.

Section II contains details on various asset measures, together with pertinent performance measurements.

Section III shows similar information on Plan liabilities, measured for actuarial, accounting, and government reporting purposes.

Section IV develops the employer contribution rate determined using actuarial techniques.

Section V includes the required disclosures under GASB Statement number 25.

The appendices to this report contain a summary of the Plan's membership at the valuation date, a summary of the major provisions of the Plan, and the actuarial methods and assumptions used in the valuations.

In preparing our report, we relied without audit, on information (some oral and some written) supplied by the Office of Pension's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

The actuarial assumptions reflect our understanding of the likely future experience of the Plan and the assumptions as a whole represent our best estimate for the future experience of the Plan. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct, and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

**SECTION I
BOARD SUMMARY**

General Comments

The actuarially determined contribution rate increased from 6.15% for FY 2010 to 6.20% for FY 2011. During the year ended June 30, 2009, the Plan's assets lost 14.6% on a market value basis. However, due to the Plan's asset-smoothing technique and an accumulation of past asset gains and losses, the return on the actuarial asset value was positive 3.2%. This return was below the assumed rate of return of 8.0% and resulted in an actuarial loss on investments of \$667 thousand.

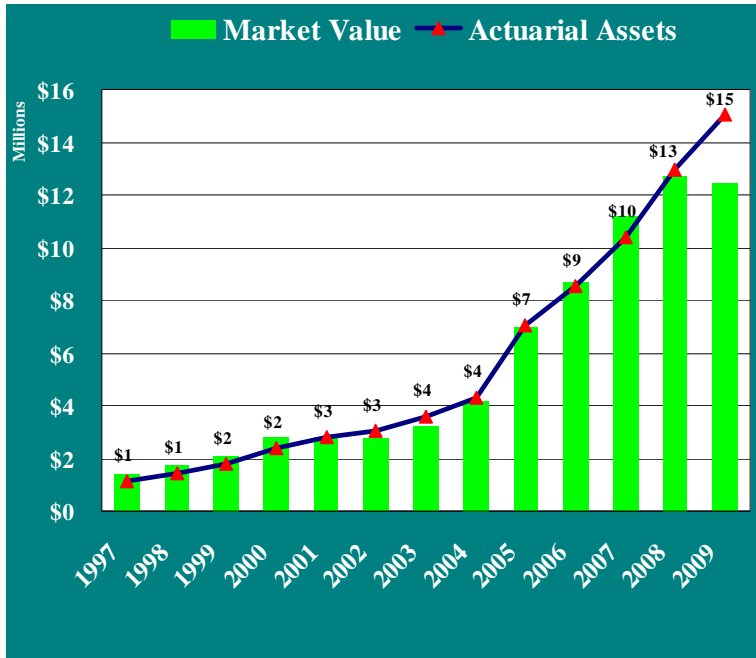
The plan experienced an actuarial gain on Plan liabilities resulting from salary increases different than assumed and members retiring, terminating, becoming disabled, and dying at rates different from the actuarial assumptions. The gain reduced by \$17 thousand the actuarial liability that would have otherwise developed. This type of activity is normal in the course of plan experience. The Plan will experience actuarial gains and losses over time because we cannot predict exactly how people will behave. When a plan experiences alternating gains and losses that are small compared to the total actuarial liability, then the plan's actuarial assumptions are reasonable.

As of the June 30, 2009 actuarial valuation, the Plan's unfunded actuarial liability was \$1,713 thousand. This is an increase from last year's unfunded actuarial liability of \$1,328 thousand.

SECTION I
 BOARD SUMMARY

Trends

Growth in Assets

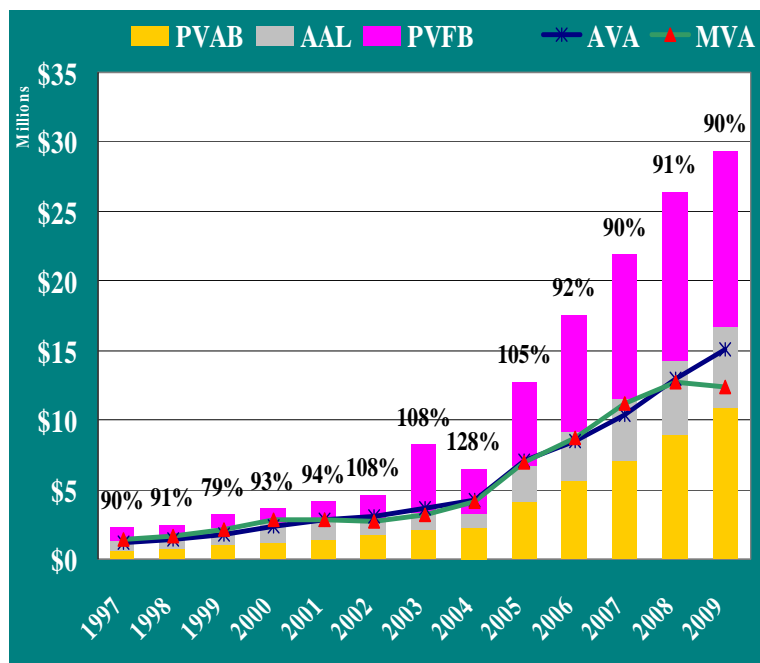


The market value of assets (MVA) decreased over the last year, returning negative 14.6%. The determination of the plan's actuarial value of assets reflects only a portion of the return below 8%. Due to the smoothing technique, the actuarial value of assets actually increased from last year.

Assets and Liabilities

The three colored bars represent the three different measures of liability mentioned in this report. For funding purposes, the target amount is represented by the top of the gray bar. We compare the actuarial value of assets to this measure of liability in developing the funded percent. These are the percentages shown in the graph labels.

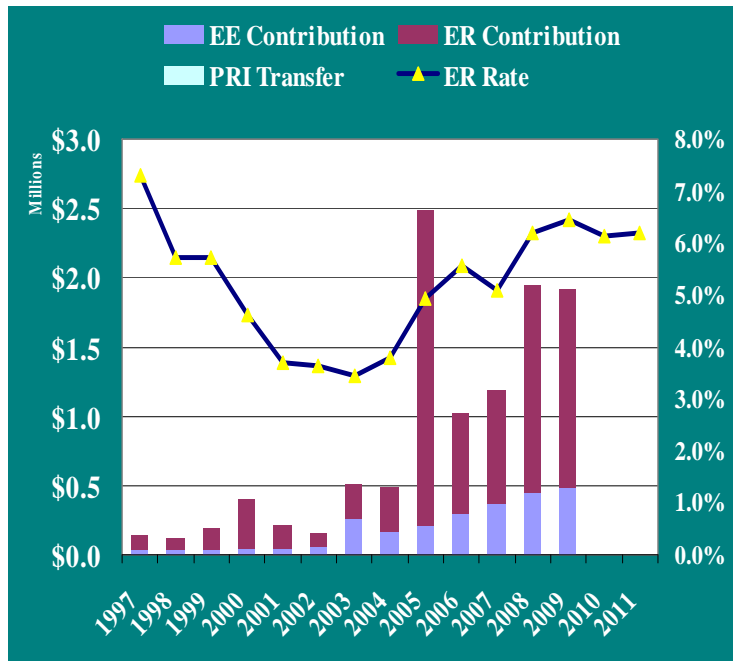
The amount represented by the top of the pink bars, the Present Value of Future Benefits (PVFB), is the amount needed to provide all benefits for the current participants and their beneficiaries. If the Plan had assets equal to the PVFB no contributions would, in theory, be needed for the current members.



**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION I
BOARD SUMMARY**

Contribution Rates



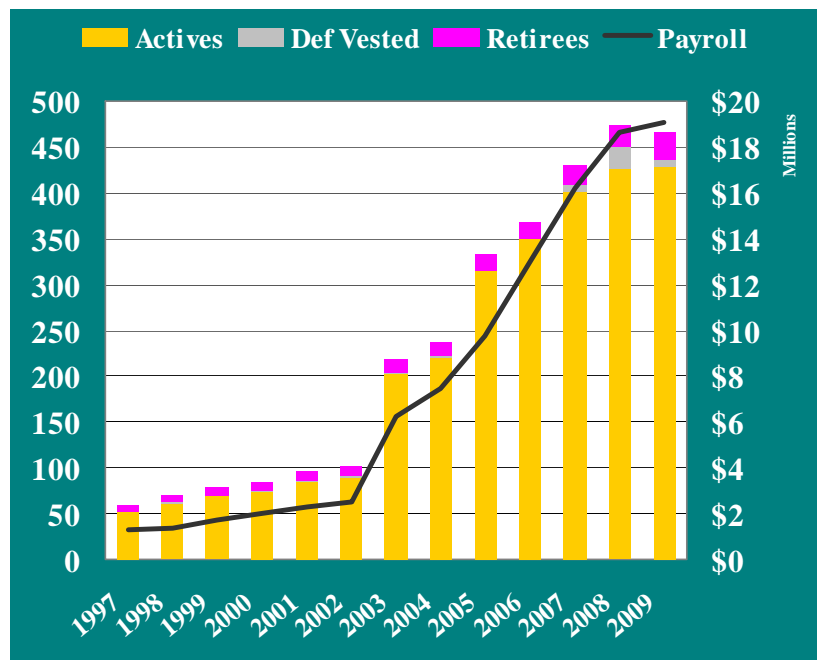
The stacked bars in this graph show the contributions made by the participating employers and the members (left hand scale). The black line shows the employer contribution rate as a percent of payroll (right hand scale).

The member contribution rate is set by State law, depending on which plan the member participates in. The employer contribution rate is set by the actuarial process. When new employers opt to provide prior service, there is an assessment made at the time of entry. Some employers pay this immediately, resulting in the erratic history of dollar contributions.

Participant Trends

The graph at the right shows the rapid growth in this Plan in the early part of the decade as more employers opt to participate. Since this is a relatively young pension plan, there are still far more active participants than retirees.

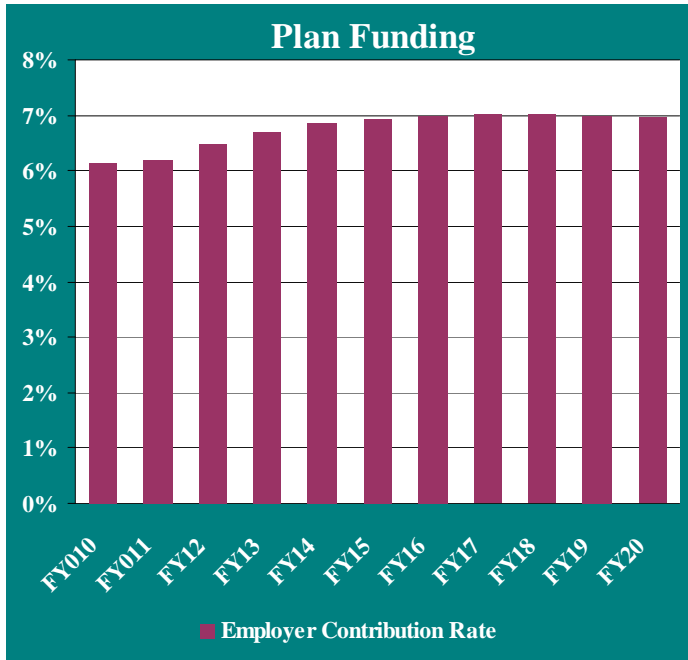
The black line shows the covered compensation and is read using the right-hand scale.



SECTION I
 BOARD SUMMARY

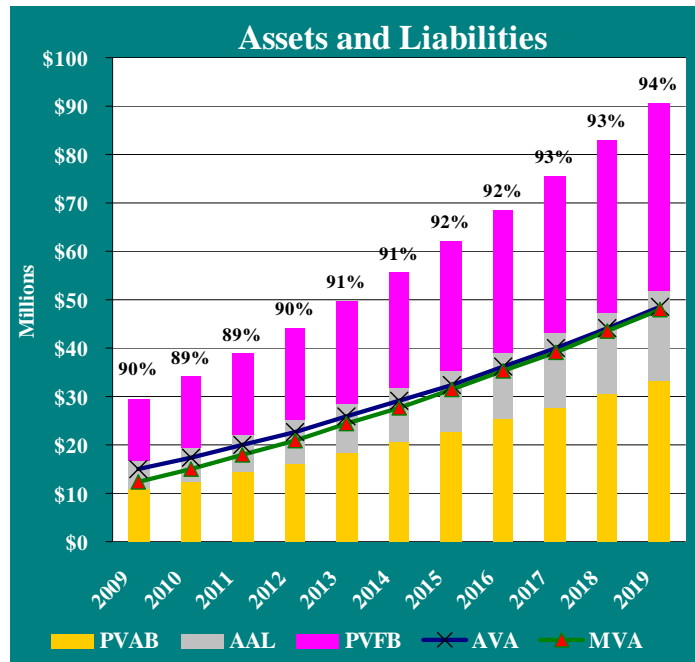
Future Outlook

Base Line Projections



These graphs show the expected progress of the Plan over the next ten years assuming the Plan's assets earn 8% on their *market value*. The chart entitled "Plan Funding" shows that the employer rate is expected to increase slightly and then remain relatively level at 7% of payroll over the decade.

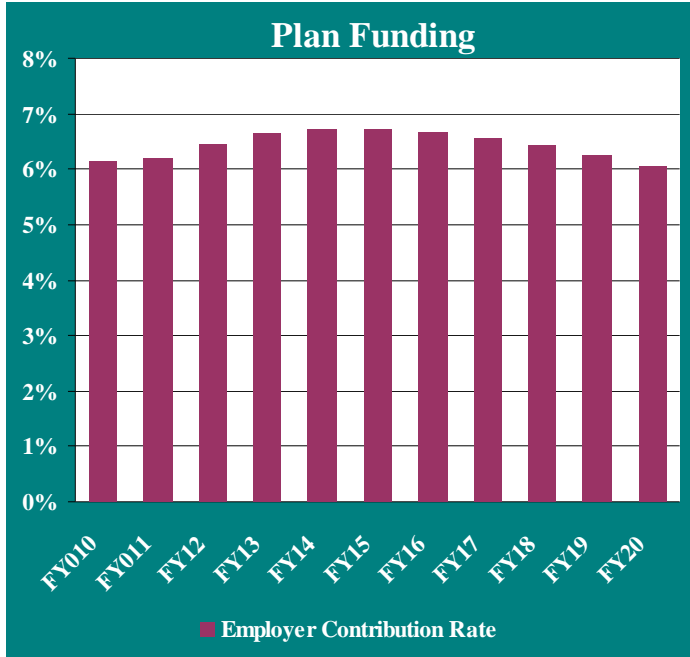
The "Assets and Liabilities" graph shows the projected funding status over the next ten years. The Plan's funded status is projected to improve by the end of the decade, even after the remaining unrecognized investment losses have been fully integrated.



**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

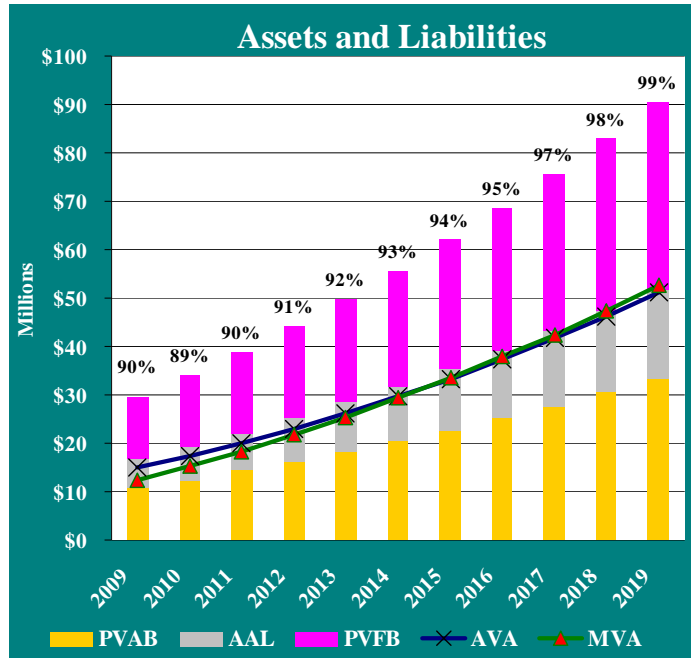
**SECTION I
BOARD SUMMARY**

Projections With Asset Returns of 9.5%



The future funding status of this Plan will be influenced by the investment earnings. Relatively minor changes in market returns can have significant effects on the Plan's status. The next two charts show what the next ten years would look like with a 9.5% annual return in each year. The Plan has earned an average 8.9% per year over the ten-year period ending June 30, 2009.

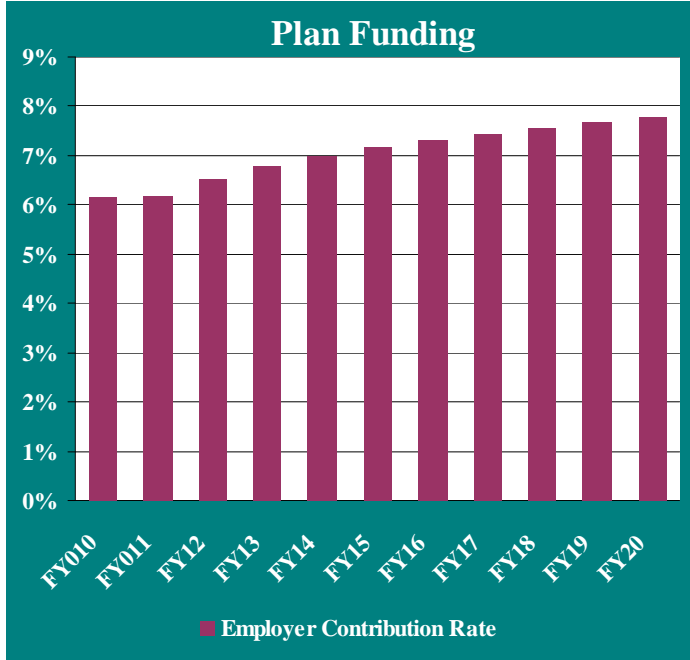
As you can see, the Plan would reach 99% funding by 2015. The contribution rate drops to below 6% of payroll by fiscal year 2019.



**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

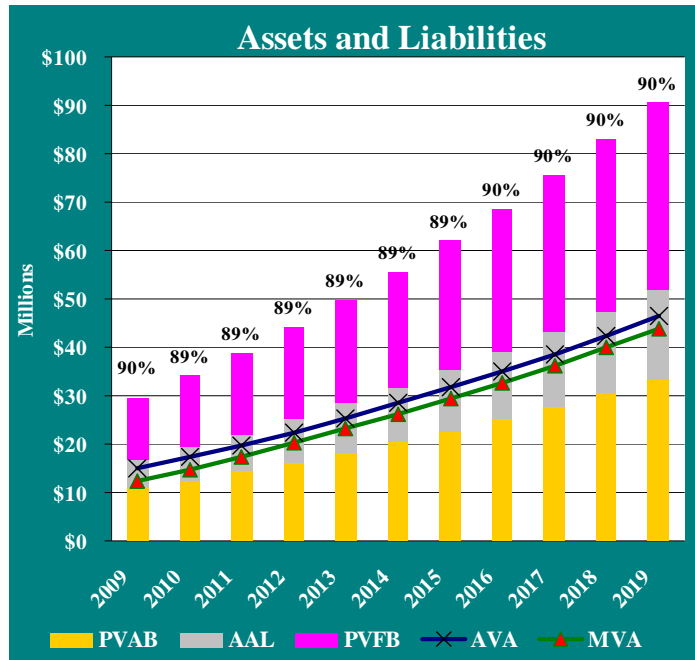
**SECTION I
BOARD SUMMARY**

Projections With Asset Returns of 6.5%



To further demonstrate how the future funding of this Plan could be impacted by investment earnings, we show the anticipated plan funding projections if the invested assets earn 6.5% per year over the entire ten year period.

Under this scenario the employer contribution rate increases slightly as the funding level remains level.



DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**SECTION I
BOARD SUMMARY**

Delaware County & Municipal Employees' Pension Plan Summary of Principal Plan Results			
Valuation as of:	June 30, 2008	June 30, 2009	% Change
<u>Participant Counts</u>			
Active Participants	427	429	0.47%
Disabled Participants	3	3	0.00%
Retirees and Beneficiaries	21	27	28.57%
Terminated Vested Participants	4	7	75.00%
Inactive Participants	<u>19</u>	<u>15</u>	<u>(21.05%)</u>
Total	474	481	1.48%
Annual Salaries of Active Members*	\$ 18,632,200	\$ 19,046,300	2.22%
Annual Retirement Allowances for Retired Members and Beneficiaries	\$ 140,900	\$ 216,500	53.66%
<u>Assets and Liabilities</u>			
Actuarial Accrued Liability (AAL)	\$ 14,308,400	\$ 16,786,700	17.32%
Actuarial Value of Assets	<u>12,980,200</u>	<u>15,074,000</u>	<u>16.13%</u>
Unfunded AAL	1,328,200	1,712,700	28.95%
Funded Ratio	90.7%	89.8%	
Present Value of Accrued Benefits (PVAB)	\$ 8,918,100	\$ 10,814,100	21.26%
Market Value of Assets	<u>12,738,500</u>	<u>12,406,900</u>	<u>(2.60%)</u>
Unfunded PVAB	(3,820,400)	(1,592,800)	(58.31%)
Accrued Benefit Funding Ratio	142.8%	114.7%	
<u>Contributions as a Percentage of Payroll</u>			
	Fiscal Year 2010	Fiscal Year 2011	
Normal Cost Contribution	5.14%	5.14%	
Unfunded Actuarial Liability Contribution	0.61%	0.66%	
Administrative Expense	<u>0.40%</u>	<u>0.40%</u>	
Total State Contribution	6.15%	6.20%	

* Assumes one year of payroll projection.

SECTION II ASSETS

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Trustees may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact upon benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets at June 30, 2008 and June 30, 2009;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- An assessment of **investment performance**; and
- A projection of the plan's expected **cashflows** for the next ten years.

Disclosure

The market value of assets represents "snap-shot or cash-out" values which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not suitable for long-range planning.

The actuarial values are market values which have been smoothed and are the actuary's best estimate of long-term asset values. They are used for evaluating the Plan's ongoing liability to meet its obligations.

Current methods employed by this Plan set the actuarial value equal to the expected value plus 20% of the difference between the expected value of assets and the actual market value where the expected value is equal to the prior year's actuarial value, rolled forward with actual contributions and benefit payments plus interest imputed at 8%.

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION II
ASSETS

Changes in Market Values	
Value of Assets – June 30, 2008	\$ 12,738,500
<u>Additions</u>	
Member Contributions	\$ 481,200
Employer Contributions	1,434,300
Investment Return	<u>(1,987,500)</u>
Total Additions	\$ (72,000)
<u>Deductions</u>	
Benefit Payments	\$ 197,900
Administrative Expenses	<u>61,700</u>
Total Deductions	\$ 259,600
Value of Assets – June 30, 2009	\$ 12,406,900

**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION II
ASSETS**

Development of Actuarial Value of Assets		
1.	Actuarial Value of Assets at June 30, 2008	\$ 12,980,200
2.	Amount in (1) with interest to June 30, 2009	14,018,600
3.	Employer and member contributions for the Plan Year ended June 30, 2009	1,915,500
4.	Interest on contributions assuming payments made uniformly throughout the year to June 30, 2009 at 8.00% per year	76,700
5.	Disbursements from Trust except investment expenses, June 30, 2008 through June 30, 2009	259,600
6.	Interest on disbursements to June 30, 2009 at 8.00% per year	10,400
7.	Expected Actuarial Value of Assets at June 30, 2009 = (2) + (3) + (4) – (5) – (6)	15,740,800
8.	Actual Market Value of Assets at June 30, 2009	12,406,900
9.	Excess of (8) over (7)	(3,333,900)
10.	Actuarial Value of Assets at June 30, 2009 = (7) + 20% of (9)	\$ 15,074,000

Actuarial Value of Assets

The actuarial value of assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, erratic results which could develop from short-term fluctuations in the market value of assets. For this Plan, the actuarial value has been calculated by adding 20% of the difference between market value and expected value to the expected value. The above table illustrates the calculation of actuarial value of assets for the June 30, 2009 valuation.

**SECTION II
ASSETS**

Investment Performance

The market value of assets (MVA) returned negative 14.6% during 2009, which is less than the assumed 8% return. A return of positive 3.2% on the actuarial value of assets (AVA) is primarily the result of the asset smoothing method being utilized for the calculation of the Actuarial Value of Assets. Since only 20% of the gain or loss from the performance of the Plan is recognized in a given year, in periods of very good performance, the AVA can lag significantly behind the MVA. In a period of negative returns, the AVA does not decline as rapidly as the MVA.

Year Beginning July 1,	Expected Benefit Payments	Expected Contributions*
2009	\$ 336,000	\$ 1,675,000
2010	411,000	1,738,000
2011	495,000	1,803,000
2012	598,000	1,871,000
2013	731,000	1,941,000
2014	873,000	2,014,000
2015	1,029,000	2,089,000
2016	1,198,000	2,168,000
2017	1,386,000	2,249,000
2018	1,592,000	2,333,000

Expected benefit payments are projected for the closed group valued at June 30, 2009. Projecting any farther than ten years using a closed-group would not yield reliable predictions due to the omission of new hires.

* Expected contributions include participating employer contributions and member contributions. For illustration purposes, we have assumed the employer contribution rate will remain level and that payroll will increase at the actuarially assumed rate of 3.75% per year.

SECTION III LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2008 and June 30, 2009; and
- Statement of **changes** in these liabilities during the year;

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Present Value of Benefits:** Used for analyzing the financial outlook of the Plan, this represents the amount of money needed today to fully pay off all future benefits and expenses of the Plan, assuming participants continue to accrue benefits.
- **Actuarial Accrued Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Benefits and subtracting the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. This method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Liabilities:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed today to fully pay off the current accrued obligations of the Plan, assuming no future accruals of benefits. These liabilities are also required for accounting purposes (FAS 35) and used to assess whether the Plan can meet its current benefit commitments.

The following table discloses each of these liabilities for the current and prior valuations. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus** or an **unfunded liability**.

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

**SECTION III
LIABILITIES**

Liabilities/Net (Surplus)/Unfunded	June 30, 2008	June 30, 2009
<u>Present Value of Benefits</u>		
Active Participant Benefits	\$ 25,066,600	\$ 27,203,900
Retiree and Inactive Benefits	1,366,300	2,193,800
Present Value of Benefits (PVB)	\$ 26,432,900	\$ 29,397,700
Market Value of Assets (MVA)	\$ 12,738,500	\$ 12,406,900
Future Member Contributions	4,068,000	4,231,200
Future Employer Contributions	9,626,400	12,759,600
Total Resources	\$ 26,432,900	\$ 29,397,700
<u>Actuarial Accrued Liability</u>		
Present Value of Benefits (PVB)	\$ 26,432,900	\$ 29,397,700
Present Value of Future Normal Costs (PVFNC)	8,056,500	8,379,800
Present Value of Future Member Contributions (PVFEEC)	4,068,000	4,231,200
Actuarial Accrued Liability (AAL=PVB-PVFNC-PVFEEC)	14,308,400	16,786,700
Actuarial Value of Assets (AVA)	12,980,200	15,074,000
Net (Surplus)/Unfunded (AAL - AVA)	\$ 1,328,200	\$ 1,712,700
<u>Present Value of Accrued Liability</u>		
Present Value of Benefits (PVB)	\$ 26,432,900	\$ 29,397,700
Present Value of Future Benefit Accruals (PVFBA)	17,514,800	18,583,600
Present Value of Accrued Liability (PVAB=PVB-PVFBA)	8,918,100	10,814,100
Market Value of Assets (MVA)	12,738,500	12,406,900
Net Unfunded (PVAB - MVA)	\$ (3,820,400)	\$ (1,592,800)

**SECTION III
LIABILITIES**

Changes in Liabilities

Each of the Liabilities disclosed in the prior table are expected to change at each valuation. The components of that change, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- Employer contributions different than expected
- Investment earnings different than expected
- A change in the method used to measure plan assets

In each valuation, we report on those elements of change which are of particular significance, potentially affecting the long-term financial outlook of the Plan. Below we present key changes in liabilities since the last valuation.

(In Thousands)	Present Value of Benefits	Actuarial Accrued Liability	Present Value of Accrued Liability
Liabilities June 30, 2008	\$ 26,433	\$ 14,308	\$ 8,918
Liabilities June 30, 2009	29,398	16,787	10,814
Liability Increase (Decrease)	2,965	2,479	1,896
Change Due to:			
Plan Change	N/A	N/A	N/A
Actuarial (Gain)/Loss	NC*	(17)	NC*
Benefits Accumulated and Other Sources	2,965	2,496	1,896

* NC = not calculated.

**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION III
LIABILITIES**

Actuarial Liabilities for Funding		
	June 30, 2008	June 30, 2009
1. Actuarial Liabilities		
Retiree and Inactive Benefits	\$ 1,366,300	\$ 2,193,800
Active Members	<u>12,942,100</u>	<u>14,592,900</u>
Total Actuarial Liability	\$ 14,308,400	\$ 16,786,700
2. Actuarial Value of Assets	\$ 12,980,200	\$ 15,074,000
3. Unfunded Actuarial Liability	\$ 1,328,200	\$ 1,712,700
4. Allocation of Unfunded Actuarial Liability		
Unpaid UAL from Participating Municipalities	\$ 405,500	\$ 703,900
5. Net Gain Base for 10 Year Amortization (3-4)	\$ 922,700	\$ 1,008,800

**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**SECTION IV
CONTRIBUTIONS**

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the funding method employed is the **Entry Age Actuarial Cost Method**. Under this method, there are three components to the total contribution: the **normal cost rate**, the **unfunded actuarial liability rate** (UAL rate), and the **administrative expense rate**. The normal cost rate is determined in the following steps. First, for a typical new entrant an individual normal cost rate is determined by taking the value, as of entry age into the plan, of that member's projected future benefits. This value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the total normal cost rate is reduced by the member contribution rate to produce the employer normal cost rate.

The unfunded actuarial liability is amortized over a rolling ten year period. All payments are determined assuming total pay increases by the annual inflation rate.

The assumed administrative expense rate is 0.40% of payroll. This rate, when applied to payroll, is intended to provide an allowance above the cost of funding the benefits to pay for the expense of operating the Plan.

The table below presents and compares the employer contribution rates for the Plan for this valuation and the prior one.

Employer Contribution Rate		
	June 30, 2008	June 30, 2009
Entry Age Normal Cost Rate	5.14%	5.14%
Amortization Payment	0.61%	0.66%
Expense	<u>0.40%</u>	<u>0.40%</u>
Actuarially Determined Contribution	6.15%	6.20%

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION IV
CONTRIBUTIONS

Development of Plan Cost as of June 30, 2009		
	In Dollars	As % of Payroll
1. Present value of projected benefits attributable to:		
a. Total Normal Cost	\$ 1,474,200	7.74%
b. Expected Members Contribution	<u>495,200</u>	<u>2.60%</u>
c. Employer Paid Normal Cost (a) – (b)	\$ 979,000	5.14%
2. Amortization of Unfunded Liability	\$ 125,100	0.66%
3. Allowance for Expense	\$ 76,200	0.40%
4. Total Employer Contribution Rate (1) + (2) + (3)	\$ 1,180,300	6.20%

SECTION V
ACCOUNTING STATEMENT INFORMATION

Statement No. 35 of the Financial Accounting Standards Board requires the Plan to disclose certain information regarding its funded status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB-35 disclosures provide a quasi “snap shot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if the Plan were to terminate.

The GASB-25 actuarial accrued liability is the same as the actuarial liability amount calculated for funding purposes.

Both the present value of accrued benefits (FASB-35) and the actuarial accrued liability (GASB-25) are determined assuming that the Plan is on-going and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 8% per annum.

FASB Statement No. 35 specifies that a comparison of the present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial accrued liability be compared with the actuarial value of assets for funding purposes. The relevant amounts as of June 30, 2009 are exhibited in Table V-1. Finally, Table V-2 reconciles the FASB-35 liabilities determined as of the prior valuation, July 1, 2008, to the liabilities as of June 30, 2009.

Tables V-3 through V-5 are exhibits to be used with the State CAFR report. Table V-3 is the Note to Required Supplementary Information, Table V-4 is a history of gains and losses in Accrued Liability, and Table V-5 is the Solvency Test which shows the portion of Accrued Liability covered by Assets.

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-1		
Accounting Statement Information		
	June 30, 2008	June 30, 2009
A. FASB No. 35 Basis		
1. Present Value of Benefits Accrued and Vested to Date		
a. Members Currently Receiving Payments	\$ 1,301,900	\$ 2,091,200
b. Former Vested Members	64,400	102,600
c. Active Members	<u>7,551,800</u>	<u>8,620,300</u>
2. Total Present Value of Accrued Benefits (1 (a) + 1(b) + 1(c))	\$ 8,918,100	\$ 10,814,100
3. Assets at Market Value	<u>12,738,500</u>	<u>12,406,900</u>
4. Unfunded Present Value of Accrued Benefits (2 – 3)	\$ (3,820,400)	\$ (1,592,800)
5. Ratio of Assets to Present Value of Benefits (3 / 2)	142.8%	114.7%
B. GASB No. 25 Basis		
1. Actuarial Accrued Liabilities for retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 1,366,300	\$ 2,193,800
2. Actuarial Accrued Liabilities for current employees	<u>12,942,100</u>	<u>14,592,900</u>
3. Total Actuarial Accrued Liability (1 + 2)	\$ 14,308,400	\$ 16,786,700
4. Net Actuarial Assets available for benefits	<u>12,980,200</u>	<u>15,074,000</u>
5. Unfunded Actuarial Accrued Liability (3 – 4)	\$ 1,328,200	\$ 1,712,700

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-2	
Statement of Changes in Total Actuarial Present Value of All Accrued Benefits	
	Accumulated Benefit Obligation (FASB 35)
Actuarial Present Value of Accrued Benefits at June 30, 2008	\$ 8,918,100
Increase (Decrease) During Years Attributable to:	
Passage of Time	705,500
Benefit Paid – FY 2009	(197,900)
Plan Change	0
Benefits Accrued, Other Gains/Losses	<u>1,388,400</u>
Net Increase (Decrease)	1,896,000
Actuarial Present Value of Accrued Benefits at June 30, 2009	\$ 10,814,100

**SECTION V
 ACCOUNTING STATEMENT INFORMATION**

**Table V-3
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	July 1, 2009
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	Ten years
Asset valuation method	5-Year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	4.3%-10.1%
*Includes inflation at	3.75%
Cost-of-living adjustments	ad hoc

The actuarial assumptions used have been recommended by the actuary and adopted by the Plan's Board of Trustees based on the most recent review of the Plan's experience, completed in 2004.

The rate of employer contributions to the Plan is composed of the normal cost, amortization of the unfunded actuarial accrued liability and an allowance for administrative expenses. The normal cost is a level percent of payroll cost which, along with member contributions, will pay for projected benefits at retirement for the average plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability. The allowance for administrative expenses is based upon the Plan's actual administrative expenses.

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-4
ANALYSIS OF FINANCIAL EXPERIENCE

Gain and Loss in Accrued Liability During Years Ended June 30
Resulting from Differences Between Assumed Experience and Actual Experience
Gain (or Loss) for Year ending June 30,
(expressed in thousands)

Type of Activity	2006	2007	2008	2009
Investment Income on Actuarial Assets	\$ 36	\$ 196	\$ (60)	\$ (667)
Combined Liability Experience	<u>(1,289)</u>	<u>(446)</u>	<u>(613)</u>	<u>17</u>
(Loss)/Gain During Year from Financial Experience	\$ (1,253)	\$ (250)	\$ (673)	\$ (650)
Non-Recurring Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Composite Gain (or Loss) During Year	\$ (1,253)	\$ (250)	\$ (673)	\$ (650)

Table V-5
SOLVENCY TEST
Aggregate Accrued Liabilities for
(expressed in thousands)

Valuation Date June 30,	Active Member Contributions	Retirants & Beneficiaries	Active Member Employer Financed Contributions	Actuarial Value of Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
2009	\$ 2,172	\$ 2,091	\$ 12,524	\$ 15,074	100%	100%	86%
2008	1,756	1,302	11,250	12,980	100%	100%	88%
2007	1,303	1,136	9,139	10,405	100%	100%	87%
2006	1,005	860	7,357	8,529	100%	100%	91%
2005	773	876	5,073	7,048	100%	100%	91%
2004	626	649	2,065	4,275	100%	100%	145%
2003	502	499	2,331	5,442	100%	100%	112%

**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**APPENDIX A
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**Delaware County and Municipal Pension Plan Distribution of Active Members
by Age and Service as of June 30, 2009**

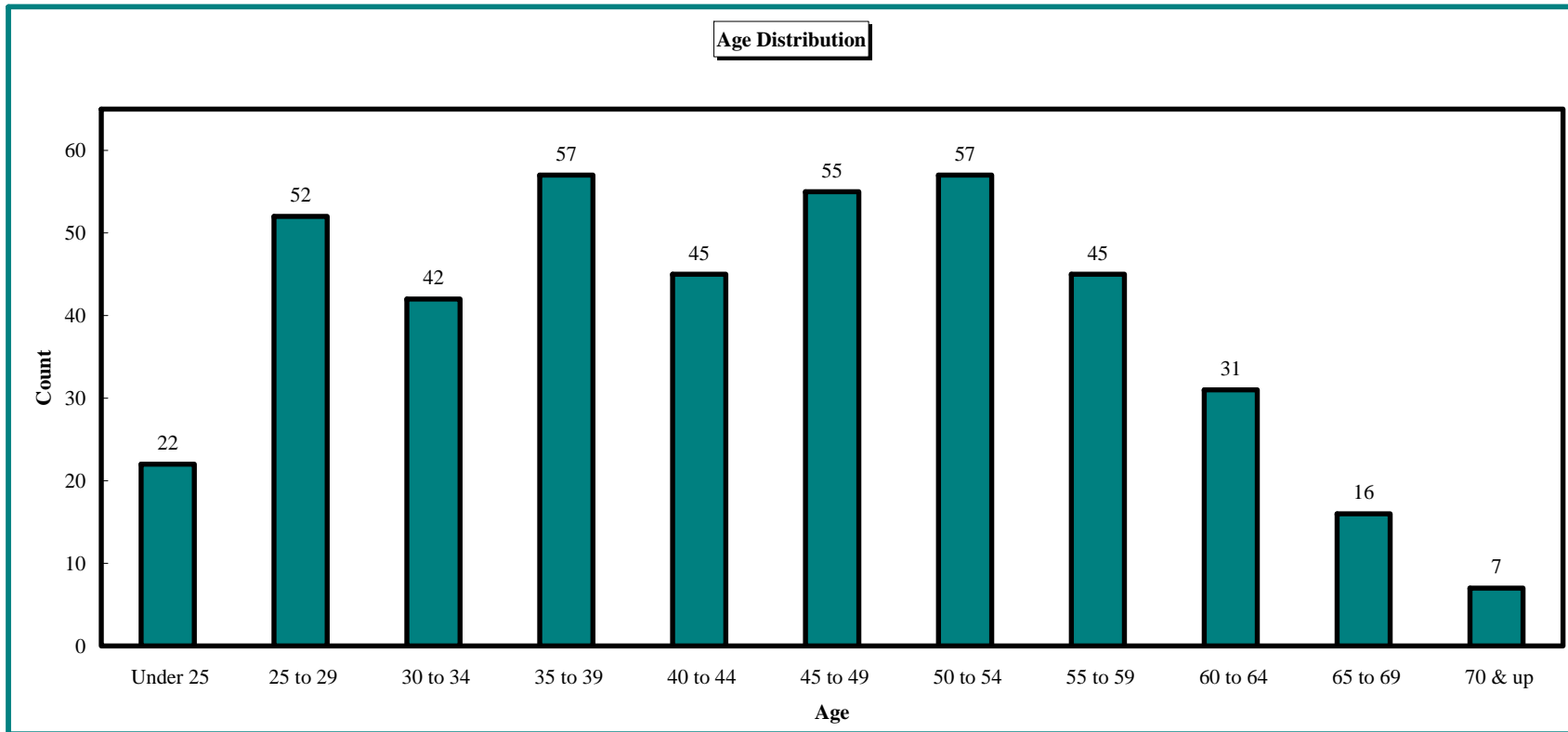
COUNTS BY AGE/SERVICE

Age	Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	4	14	4	0	0	0	0	0	0	0	22
25 to 29	9	35	8	0	0	0	0	0	0	0	52
30 to 34	3	19	16	4	0	0	0	0	0	0	42
35 to 39	3	31	15	4	4	0	0	0	0	0	57
40 to 44	3	17	16	5	2	2	0	0	0	0	45
45 to 49	5	18	19	7	4	0	2	0	0	0	55
50 to 54	2	19	17	8	8	0	1	2	0	0	57
55 to 59	2	13	17	5	4	2	0	2	0	0	45
60 to 64	1	9	15	3	1	1	1	0	0	0	31
65 to 69	1	2	9	2	2	0	0	0	0	0	16
70 & up	0	1	2	1	3	0	0	0	0	0	7
Total	33	178	138	39	28	5	4	4	0	0	429

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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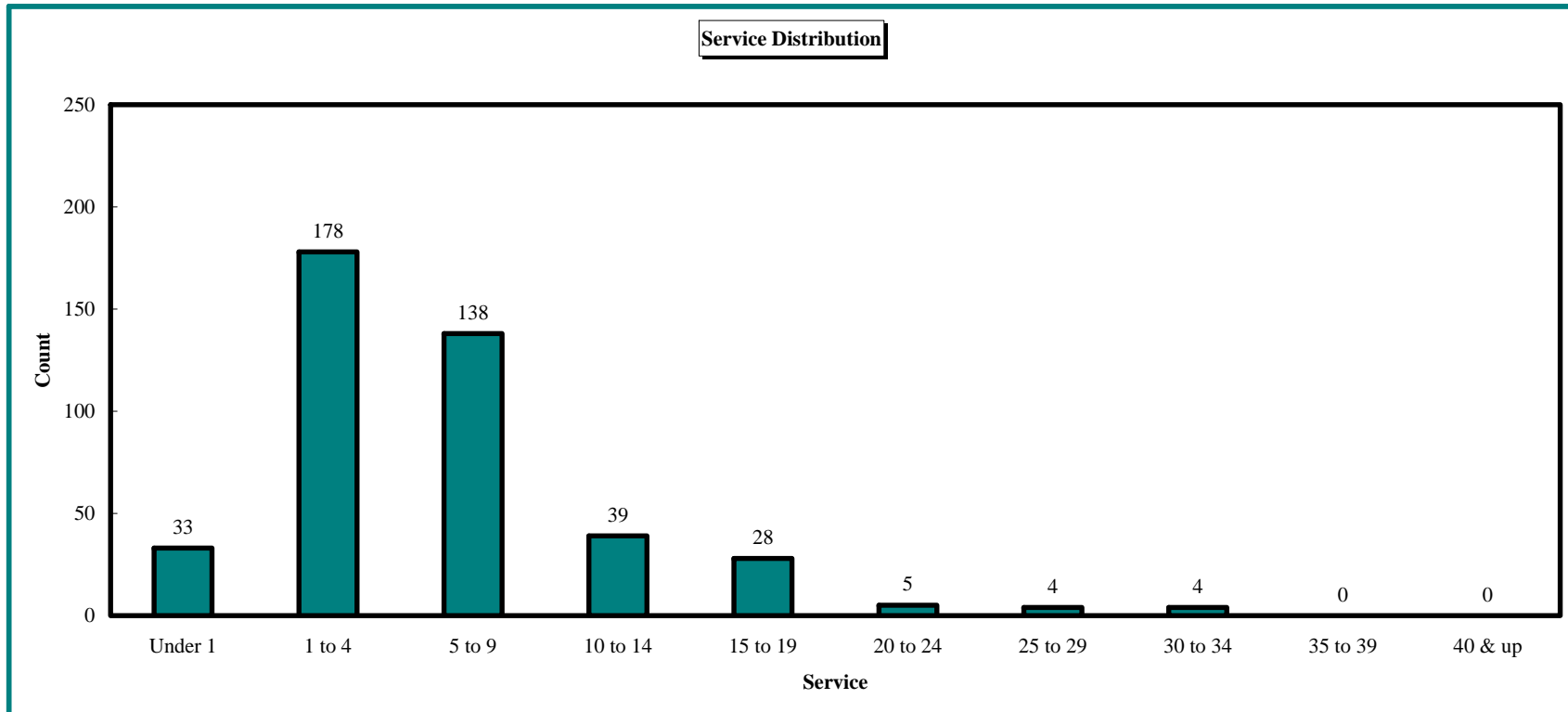
Delaware County and Municipal Pension Plan Distribution of Active Members
by Age as of June 30, 2009



DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

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Delaware County and Municipal Pension Plan Distribution of Active Members
by Service as of June 30, 2009



**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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**Delaware County and Municipal Pension Plan Distribution of Active Members
by Age and Service as of June 30, 2009**

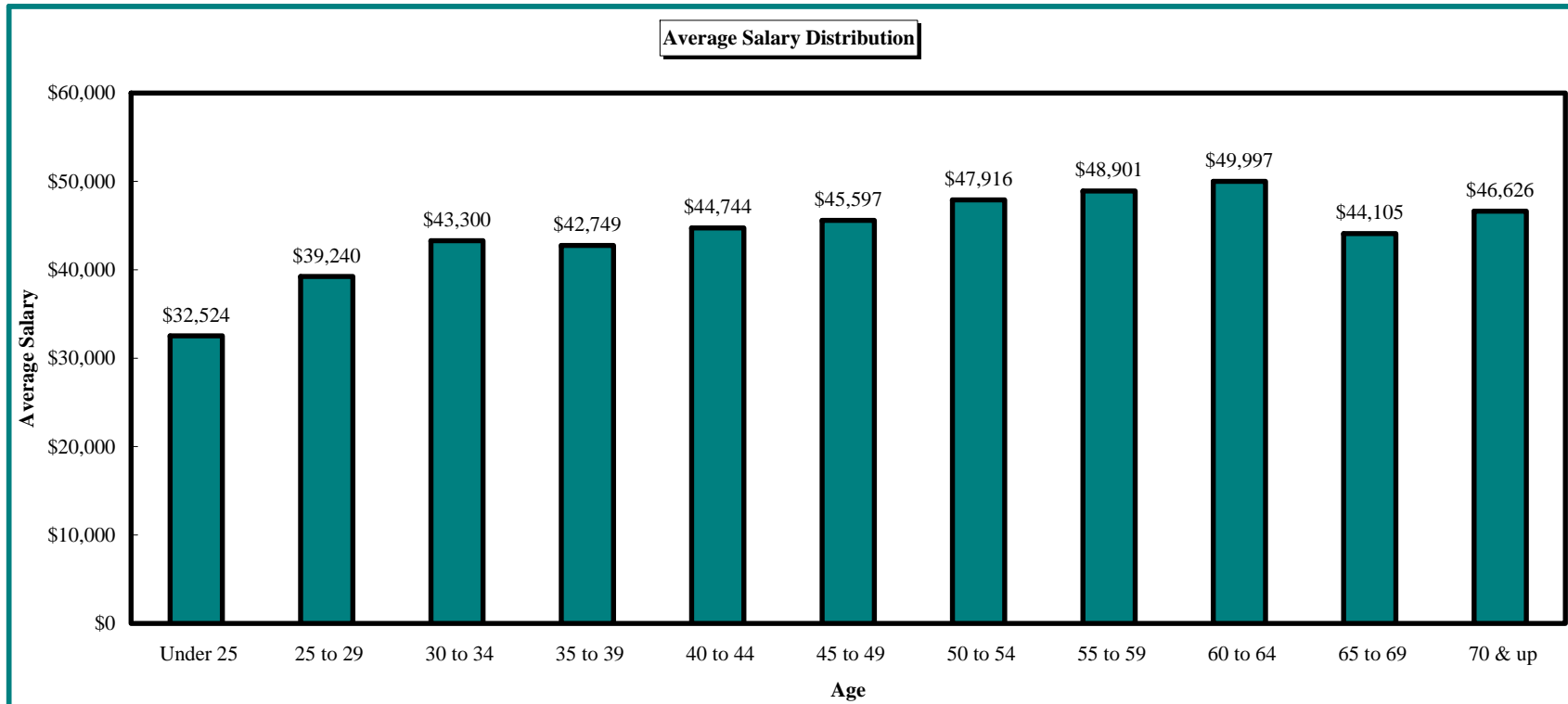
AVERAGE SALARY BY AGE/SERVICE

Age	Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	\$29,437	\$31,852	\$37,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,524
25 to 29	\$34,178	\$38,955	\$46,179	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,240
30 to 34	\$34,623	\$43,081	\$43,911	\$48,404	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,300
35 to 39	\$36,180	\$36,567	\$45,172	\$75,433	\$53,822	\$0	\$0	\$0	\$0	\$0	\$0	\$42,749
40 to 44	\$35,264	\$38,168	\$48,396	\$49,635	\$54,871	\$63,283	\$0	\$0	\$0	\$0	\$0	\$44,744
45 to 49	\$44,115	\$40,019	\$43,412	\$47,432	\$74,110	\$0	\$56,817	\$0	\$0	\$0	\$0	\$45,597
50 to 54	\$38,988	\$44,102	\$43,864	\$48,635	\$59,275	\$0	\$72,858	\$66,730	\$0	\$0	\$0	\$47,916
55 to 59	\$57,492	\$49,090	\$43,661	\$48,693	\$50,261	\$49,580	\$0	\$80,753	\$0	\$0	\$0	\$48,901
60 to 64	\$31,941	\$47,262	\$42,141	\$103,938	\$58,335	\$50,027	\$40,316	\$0	\$0	\$0	\$0	\$49,997
65 to 69	\$19,220	\$46,222	\$44,601	\$42,706	\$53,596	\$0	\$0	\$0	\$0	\$0	\$0	\$44,105
70 & up	\$0	\$35,222	\$54,219	\$36,812	\$48,637	\$0	\$0	\$0	\$0	\$0	\$0	\$46,626
Total	\$36,614	\$40,224	\$44,424	\$54,926	\$57,434	\$55,151	\$56,702	\$73,742	\$0	\$0	\$0	\$44,397

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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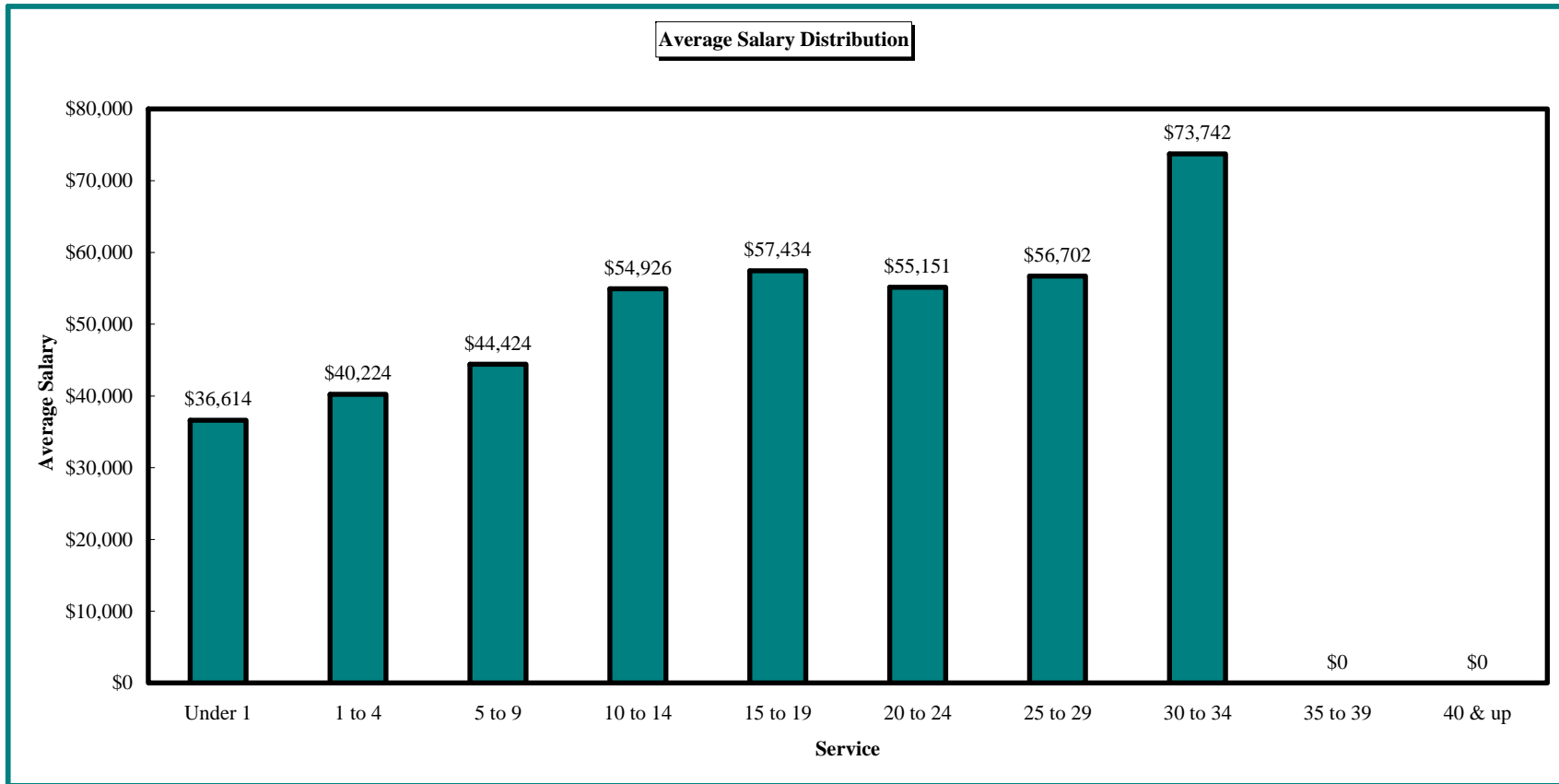
Delaware County and Municipal Pension Plan Distribution of Active Members
by Age as of June 30, 2009



DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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Delaware County and Municipal Pension Plan Distribution of Active Members
by Service as of June 30, 2009



**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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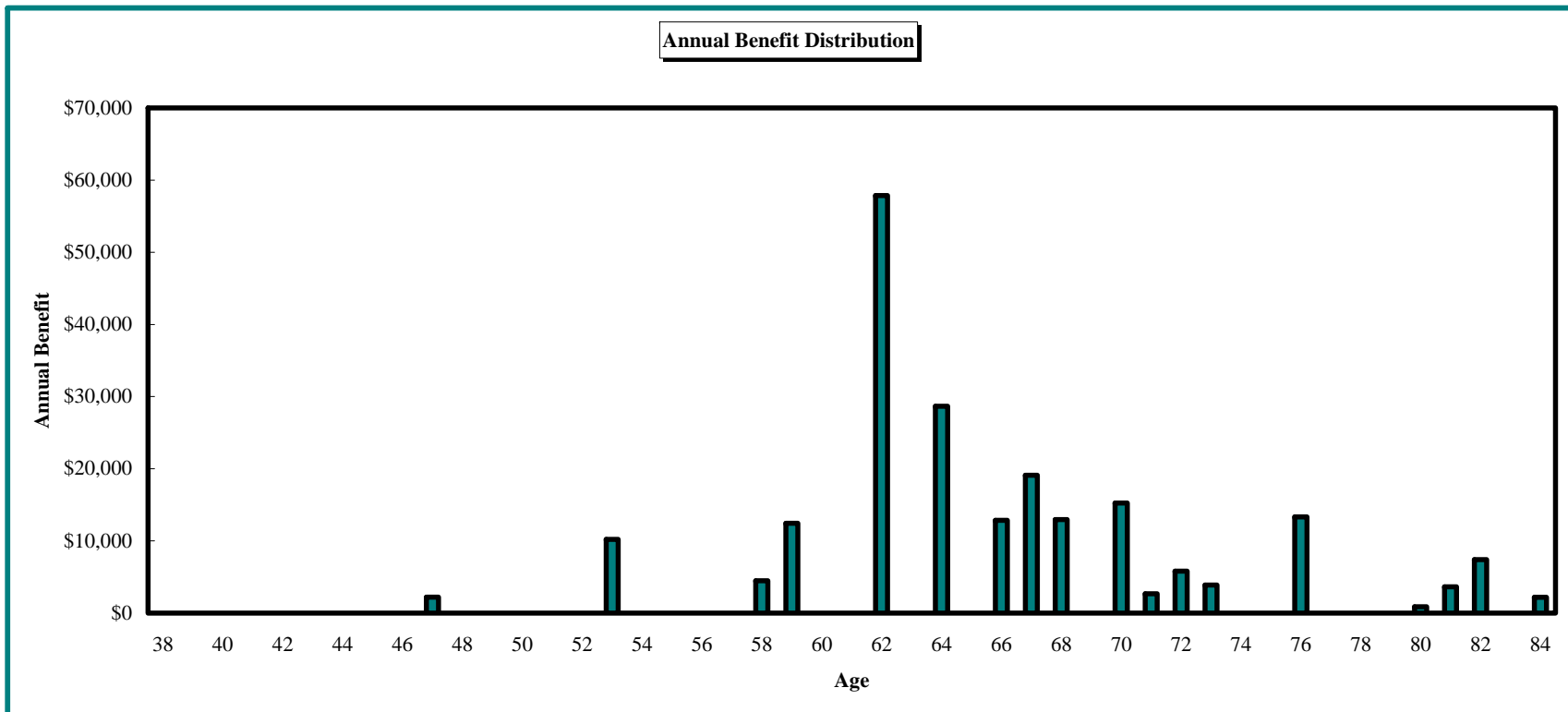
**Delaware County and Municipal Pension Plan Distribution of Retired
Members, Survivors, and Disabled Members as of June 30, 2009**

Age	Count	Annual Benefit	Age	Count	Annual Benefit
<25	0	\$0	73	1	\$3,899
25	0	\$0	74	0	\$0
26	0	\$0	75	0	\$0
27	0	\$0	76	2	\$13,337
28	0	\$0	77	0	\$0
29	0	\$0	78	0	\$0
30	0	\$0	79	0	\$0
31	0	\$0	80	1	\$873
32	0	\$0	81	1	\$3,624
33	0	\$0	82	1	\$7,433
34	0	\$0	83	0	\$0
35	0	\$0	84	1	\$2,180
36	0	\$0	85	1	\$619
37	0	\$0	86	0	\$0
38	0	\$0	87	0	\$0
39	0	\$0	88	0	\$0
40	0	\$0	89	0	\$0
41	0	\$0	90	0	\$0
42	0	\$0	91	0	\$0
43	0	\$0	92	0	\$0
44	0	\$0	93	0	\$0
45	0	\$0	94	0	\$0
46	0	\$0	95	0	\$0
47	1	\$2,207	96	0	\$0
48	0	\$0	97	0	\$0
49	0	\$0	98	0	\$0
50	0	\$0	99	0	\$0
51	0	\$0	100	0	\$0
52	0	\$0	101	0	\$0
53	1	\$10,206	102	0	\$0
54	0	\$0	103	0	\$0
55	0	\$0	104	0	\$0
56	0	\$0	105	0	\$0
57	0	\$0	106	0	\$0
58	1	\$4,496	107	0	\$0
59	1	\$12,471	108	0	\$0
60	0	\$0	109	0	\$0
61	0	\$0	110	0	\$0
62	3	\$57,868	111	0	\$0
63	0	\$0	112	0	\$0
64	5	\$28,661	113	0	\$0
65	0	\$0	114	0	\$0
66	2	\$12,857	115	0	\$0
67	2	\$19,096	116	0	\$0
68	2	\$12,954	117	0	\$0
69	0	\$0	118	0	\$0
70	2	\$15,244	119	0	\$0
71	1	\$2,692	120	0	\$0
72	1	\$5,813			
			Totals	30	\$216,530

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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Delaware County and Municipal Pension Plan Distribution of Retired
Members, Survivors, and Disabled Members as of June 30, 2009



**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009**

**APPENDIX A
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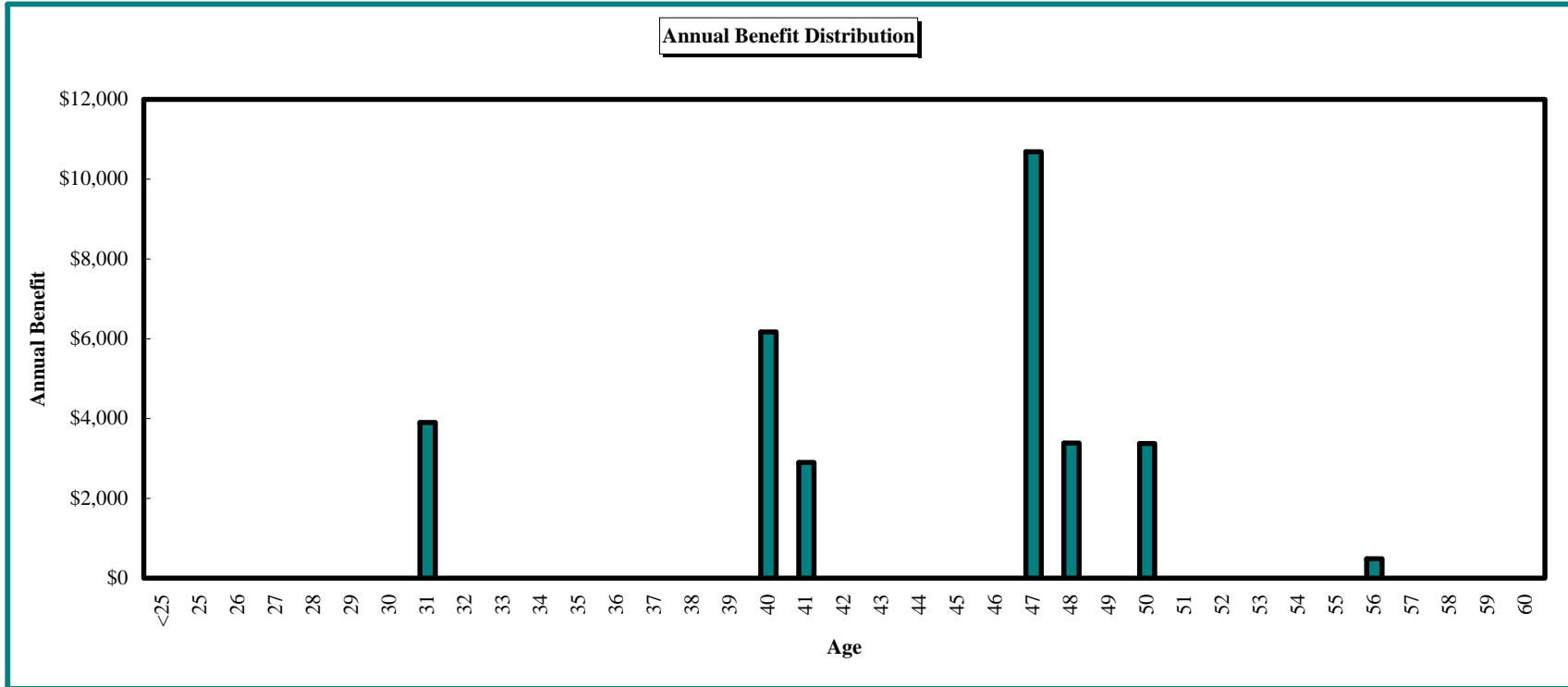
**Delaware County and Municipal Pension Plan Distribution of
Vested Members as of June 30, 2009**

Age	Count	Annual Benefit	Age	Count	Annual Benefit
<25	0	\$0	73	0	\$0
25	0	\$0	74	0	\$0
26	0	\$0	75	0	\$0
27	0	\$0	76	0	\$0
28	0	\$0	77	0	\$0
29	0	\$0	78	0	\$0
30	0	\$0	79	0	\$0
31	1	\$3,902	80	0	\$0
32	0	\$0	81	0	\$0
33	0	\$0	82	0	\$0
34	0	\$0	83	0	\$0
35	0	\$0	84	0	\$0
36	0	\$0	85	0	\$0
37	0	\$0	86	0	\$0
38	0	\$0	87	0	\$0
39	0	\$0	88	0	\$0
40	1	\$6,168	89	0	\$0
41	1	\$2,898	90	0	\$0
42	0	\$0	91	0	\$0
43	0	\$0	92	0	\$0
44	0	\$0	93	0	\$0
45	0	\$0	94	0	\$0
46	0	\$0	95	0	\$0
47	1	\$10,688	96	0	\$0
48	1	\$3,384	97	0	\$0
49	0	\$0	98	0	\$0
50	1	\$3,372	99	0	\$0
51	0	\$0	100	0	\$0
52	0	\$0	101	0	\$0
53	0	\$0	102	0	\$0
54	0	\$0	103	0	\$0
55	0	\$0	104	0	\$0
56	1	\$483	105	0	\$0
57	0	\$0	106	0	\$0
58	0	\$0	107	0	\$0
59	0	\$0	108	0	\$0
60	0	\$0	109	0	\$0
61	0	\$0	110	0	\$0
62	0	\$0	111	0	\$0
63	0	\$0	112	0	\$0
64	0	\$0	113	0	\$0
65	0	\$0	114	0	\$0
66	0	\$0	115	0	\$0
67	0	\$0	116	0	\$0
68	0	\$0	117	0	\$0
69	0	\$0	118	0	\$0
70	0	\$0	119	0	\$0
71	0	\$0	120	0	\$0
72	0	\$0			
Totals				7	\$30,895

DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2009

APPENDIX A
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Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Vested Members as of June 30, 2009



**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

A. Long-Term Assumptions Used to Determine Plan Costs and Liabilities

1. Demographic Assumptions

a. Healthy Inactive Mortality

With Full Generational Mortality Improvements (Projection Scale AA)

Male: 85% of RP-2000 MB Mortality Table

Female: 87% of RP-2000 FW Mortality Table

Rates of Healthy Inactive Mortality				
Age	Rates (Prior to Projection)		Projection Scale	
	Male	Female	Male	Female
50	0.48%	0.21%	1.80%	1.70%
55	0.61%	0.30%	1.90%	0.80%
60	0.90%	0.49%	1.60%	0.50%
65	1.41%	0.79%	1.40%	0.50%
70	2.27%	1.32%	1.50%	0.50%
75	3.67%	2.24%	1.40%	0.80%
80	6.00%	3.75%	1.00%	0.70%
85	9.78%	6.45%	0.70%	0.60%
90	15.45%	10.98%	0.40%	0.30%

b. Healthy Active Mortality

Male: 95% of RP-2000 RE Mortality Table

Female: 80% of RP-2000 RE Mortality Table

Rates of Healthy Active Mortality		
Age	Male	Female
20	0.03%	0.02%
25	0.04	0.02
30	0.04	0.02
35	0.07	0.04
40	0.10	0.06
45	0.14	0.09
50	0.20	0.13
55	0.29	0.20
60	0.46	0.31

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

c. Disabled Inactive Mortality

Male: 63% of 1965 Railroad Retirement Board Disabled Mortality
Female: 92% of 1981 PBGC Disabled Mortality with Social Security

Rates of Disabled Inactive Mortality		
Age	Male	Female
40	2.78%	1.92%
45	2.82%	2.06%
50	3.06%	2.36%
55	3.73%	2.71%
60	4.57%	3.05%
65	5.46%	3.40%
70	6.53%	3.78%
75	7.96%	4.53%
80	9.73%	6.86%

d. Rates of Active Disability

Rates of Active Disability	
Age	Current
20	0.05%
25	0.05
30	0.18
35	0.27
40	0.38
45	0.46
50	0.62
55	0.95
60	1.57

**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

e. Termination of Employment (Prior to Normal Retirement Eligibility)

10-year Select (age- and service based) & Ultimate (age-based) Tables

AGE	SERVICE										
SELECT:	0	1	2	3	4	5	6	7	8	9	ULTIMATE
<55	25.00%	25.00%	25.00%	15.00%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
55+	12.50%	12.50%	12.50%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

f. Retirement

Early Retirement: 1-year Select & Ultimate (age-based)

Normal Retirement: 1-year Select & Ultimate (age-based) upon attaining the earliest of:

- a) age 62 with five years of credited service
- b) age 60 with 15 years of credited service
- c) 30 years of credited service

Male Early Retirement		
Age	Select	Ultimate
< 41	1.00	0.00%
41-44	1.00	0.50
45-46	3.00	0.50
47-49	3.00	2.00
50-51	3.00	3.00
52-59	3.00	5.00

**DELAWARE COUNTY & MUNICIPAL EMPLOYEES' PENSION PLAN
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**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

Male Normal Retirement		
Age	Select	Ultimate
< 45	13.00%	0.00%
45-56	13.00	11.00
57	13.00	15.00
58-60	10.00	15.00
61	10.00	26.00
62	20.00	26.00
63	10.00	20.00
64	16.00	20.00
65-66	16.00	26.00
67	16.00	20.00
68-79	16.00	16.00
80 +	100.00	100.00

Female Early Retirement		
Age	Select	Ultimate
< 41	1.50%	0.00%
41-48	1.50	2.00
49-50	2.00	2.00
51-52	2.00	3.00
53-54	5.00	3.00
55	5.00	5.00
56-57	6.00	5.00
58-59	7.00	5.00

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

Female Normal Retirement		
AGE	SELECT	ULTIMATE
< 45	15.00%	0.00%
45-51	15.00	6.00
52-53	15.00	8.00
54	15.00	11.00
55-57	20.00	11.00
58-59	20.00	14.00
60	12.00	14.00
61-62	21.00	24.00
63	10.00	24.00
64	10.00	17.00
65	26.00	24.00
66	15.00	24.00
67-70	15.00	21.00
71-79	15.00	12.00
80 +	100.00	100.00

g. Merit/Seniority Salary Increase (in addition to across-the-board increase)

10-year Select (service-based) & Ultimate (age-based) merit tables and an annual inflation rate of 3.75%. Rates shown exclude amount for inflation.

Select

<u>Service (years)</u>	<u>Increase</u>
0 – 1	6.14
2	4.25
3 – 9	2.66

Ultimate

<u>Age</u>	<u>Increase</u>
<40	1.50
40 – 49	1.00
50+	0.50

h. Family Composition

Female spouses are assumed to be three years younger than males.

70% are assumed married for both male and female employees.

Actual marital characteristics are used for pensioners.

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

2. Economic Assumptions

a. Rate of Investment Return:	8.00%
b. Rate of General Wage Increase:	3.75%
c. Rate of Increase in Cost of Living:	0.00%
d. Rate of Increase in Total Payroll (for Amortization):	3.75%
e. Administrative Expenses as a Percentage of Payroll:	0.40%

3. Changes Since Last Valuation

None.

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Funding Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost is determined as a level percent of pay for a typical new entrant. The normal cost rate times payroll equals the normal cost. The normal cost plus member contributions will pay for projected benefits at retirement for the average plan participant.

The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability.

The portion of the actuarial accrued liability in excess of plan assets is funded according to a schedule which is intended to amortize such unfunded actuarial liability fully after a period of years. This is in addition to each year's employer normal cost. Under this cost method, actuarial gains and losses are directly reflected in the size of the unfunded actuarial liability.

The unfunded liability is amortized over a rolling ten year period from each valuation date. The payments are determined so that they will increase by the annual inflation rate.

2. Actuarial Value of Assets

For purposes of determining the employer contribution rate to the plan we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

The actuarial value of assets is a weighted average giving 20% weight to the current market value and 80% weight to the prior year's actuarial value increased by expected interest and contributions and decreased by benefit payments and expenses. This is mathematically equivalent to recognizing 100% of the actuarially assumed interest rate, plus contributions, less payments each year, and 20% of the portion of each year's returns that have not already been reflected in asset values.

3. Changes Since Last Valuation

None.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

1. Membership

The plan covers full-time or regular part-time employees and elected or appointed officials of a county or municipality including state governmental subdivisions.

2. Member Contributions

3% of compensation which exceeds \$6,000 per annum.

Interest is credited at the rate of 5% per year.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

3. Credited Service

All service as a member plus certain claimed and purchased service.

4. Final Average Compensation

Final Average Compensation is the average over the highest 60 consecutive months (or shorter period of total service).

5. Normal Retirement

Eligibility: (i) Age 62 with five years of credited service; or (ii) age 60 with 15 years credited service; or (iii) any age with 30 years of credited service.

Benefit: 1 2/3% of final average compensation for each year of credited service.

6. Early Retirement

Eligibility: Age 55 with 15 years of credited service.

Benefit: Normal retirement benefit reduced by 0.4% for each month the member is under age 60 at the time of retirement.

7. Disability Benefit

Eligibility: Five years of credited service

Benefit: Normal retirement benefit

APPENDIX C
SUMMARY OF PLAN PROVISIONS

8. Survivor's Benefit

Eligibility: Death while active with five years of credited service or death after retirement.

Benefit: For eligible survivors of employees who die in active service: 50% of normal retirement benefit employee would have been eligible to receive at age 62.

For eligible survivors of pensioners who die: 50% of pension received immediately prior to death.

Eligible survivors include: (1) widow or widower; (2) child or children under age 18, or between 18 and 22 and attending school on a full-time basis, or over 18 and permanently disabled before 18; or (3) dependent parent or parents.

9. Vesting

Eligibility: Five years of credited service

Benefit: Normal retirement benefit payable at age 62 based on final average compensation and service at date of termination. In lieu of a pension, a member may receive a refund of accumulated employee contributions with interest. Upon application for a refund of contributions a member's vested right to a monthly benefit shall be forfeited.

10. Withdrawal of Employee Contributions

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions with interest.

11. Changes Since Last Valuation

None.