

June 10, 2015

Mr. David C. Craik
 Pension Administrator
 Delaware Public Employees' Retirement System
 McArdle Building
 860 Silver Lake Boulevard, Suite 1
 Dover, Delaware 19904

Re: Special Pensioners June 30, 2014 Actuarial Valuation

Dear Dave:

We have completed our Actuarial Valuation of the 9 members remaining in the special pensioners as of June 30, 2014. Our results are as follows:

Valuation Results	
Actuarial Accrued Liability	\$ 217,500
Present Value Accumulated Plan Benefits	217,500

Assets	
At market value	\$ 304,100
At actuarial value	308,200

The actuarial value of assets is a smoothed asset value that recognizes 20% of the difference between the expected actuarial value and the market value of assets. The expected actuarial value equals the prior year's actuarial value adjusted with contributions, payments and investment earnings of 7.5%, the assumption as of last year's valuation date. This method tempers the volatile fluctuations in market value.

Data Summary			
	Count	Average Age	Average Monthly Benefit
Healthy Retirees	2	89	\$ 668.13
Disabled Retirees	1	86	631.50
Beneficiaries	6	82	256.86



Data and Assumptions

This valuation is based on census and financial information supplied by the Office of Pension Staff. We did not audit this data. However, we compared the information with the previous year's information and reviewed the results for reasonableness.

We found the data to be reasonably consistent and comparable with data used in the prior valuation. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

The actuarial liability was based on a 7.20% net investment return and mortality tables as outlined below:

	Mortality Tables	
	Males	Females
Healthy Retirees and Beneficiaries	RP-2000 Mortality Table with Mortality Improvements through 2015 (Projection Scale AA)	RP-2000 Mortality Table with Mortality Improvements through 2015 (Projection Scale AA)
Disabled Retirees	2011 PBGC Disabled Mortality Tables, 50% Social Security Disabled / 50% Non-Social Security Disabled	2011 PBGC Disabled Mortality Tables, 50% Social Security Disabled / 50% Non-Social Security Disabled

We believe these assumptions reflect our best estimate of anticipated future experience of the plan. Our results are dependent upon future experience conforming to these assumptions. It is certain that actual experience will not conform exactly to these assumptions. Actual amounts will differ from projected amounts to the extent actual experience differs from expected experience.

To the best of our knowledge, this report and its contents have 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. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

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This letter was prepared solely for the Delaware Special Pensioners Plan for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. This valuation report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Sincerely,
Cheiron



Fiona E. Liston, FSA, EA
Principal Consulting Actuary



Elizabeth Wiley, FSA, EA
Consulting Actuary



Margaret A. Tempkin, FSA
Principal Consulting Actuary