

May 9, 2017

The Retirement Commission  
Genesee County Employees Retirement System  
Genesee County, Michigan

Dear Commission Members:

*The purpose of the annual actuarial valuation of the Genesee County Employees Retirement System as of December 31, 2016 is to:*

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members of the Retirement System,
- Compare accrued assets with accrued liabilities to assess the funded condition of the Retirement System, and
- Compute the recommended employer contribution rates for the Fiscal Year beginning January 1, 2018.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. Data concerning active members, retirees, beneficiaries and assets was provided by the County. This data has been reviewed for reasonableness, but no attempt has been made to audit such information. The valuation was based on the provisions of the Retirement System as amended through January 1, 2016. This valuation has been prepared under the supervision of a Member of the American Academy of Actuaries qualified to render the actuarial opinions contained herein.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sandra W. Rodwan".

Sandra W. Rodwan, M.A.A.A.

***Genesee County  
Employees Retirement System***

*Actuarial Valuation as of December 31, 2016*

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***Section One:***

***Valuation Summary***



## **Purpose of Valuation**

The purpose of the annual actuarial valuation of the Genesee County Employees Retirement System as of December 31, 2016 is to:

- ❖ Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members of the Retirement System,
- ❖ Compare accrued assets with accrued liabilities to assess the funded condition of the Retirement System, and
- ❖ Compute the County's recommended contribution rate for the Fiscal Year beginning January 1, 2018.

## **Liabilities and Funded Condition of Retirement System**

Accrued liabilities of the Retirement System as of December 31, 2016 were computed to be \$598,795,199. The funding value of accrued assets was \$416,923,172. The ratio of the funding value of accrued assets to accrued liabilities was 69.6%.

## **Funding Value of Assets**

A smoothed market value of assets was used for the December 31, 2016 valuation. This method, which spreads realized and unrealized capital value changes over four years, is the same as the method used for last year's valuation.

## **Computed Employer Contribution Rates**

The employer normal cost contribution rate was computed to be 8.39% for General & Sheriffs; 4.20% of Water & Waste member payroll; 7.66% of Library member payroll; 6.52% of Mental Health member payroll; 11.20% of Road Commission member payroll and 9.25% of Mt. Morris member payroll.

Actuarial accrued liabilities exceeded the funding value of assets in all groups. The unfunded amount was amortized over 25 years and added to the employer normal cost.

The 25 year amortization period was first used for the December 30, 2010 valuation.

The total employer contribution for General & Sheriffs was computed to be 94.93% which includes an amortization amount of 85.52%. For Water & Waste, the total employer contribution rate was computed to be 19.15% which includes an amortization payment of 13.93%. For the Library, the total employer contribution rate was computed to be 23.98% which includes an amortization payment of 15.30%. The total employer contribution rate for Mental Health was computed to be 35.25% which includes an amortization payment of 27.71%. The total contribution rate for the Road Commission was computed to be 32.78% which includes an amortization payment of 20.56%. The contribution rate for Mt. Morris was computed to be 14.15% which includes an amortization payment of 3.88%. All groups have a 1.02% contribution rate for administrative expenses included.

## **Retirement System Experience**

The overall recognized experience of the Retirement System during the year ended December 31, 2016 was less favorable than expected experience based upon the long-term assumptions. The investment return on the smoothed funding value of assets was less than assumed. The smoothed funding value includes carry forwards from the prior 3 years. Less than assumed salary increases partially offset the unfavorable experience.

## Changes in Methods and Assumptions

The Retirement Commission adopted the RP 2000 Mortality Table projected to 2014 and reduced the assumed rate of return to 7.85% from 8%, with future annual reductions of 0.15% to 7.0% ultimately. Also adopted were changes in withdrawal, disability, and retirement rates in accordance with the 2010-2014 Experience Study. There were no changes in methods.

## Benefit Provision Changes

A brief summary of the benefit provision changes that occurred during the year are as follows:

**AFSCME 496-00 and 01, PCOA, Judicial Admin Secretaries:** Employee contribution rates increased to 9.5%.

**AFSCME 496-03:** Employee contribution rate increased to 11.0%.

**Teamsters, Parks:** Employee contribution rate increased to 9%.

## Participant Data

	<u>12/31/2016</u>	<u>12/31/2015</u>
Active Members	627	671
Active Member Payroll	\$39,466,036	\$41,687,051
Retirees and Beneficiaries	1,734	1,717
Annual Pensions	\$45,562,863	\$44,663,724
Inactive Vested Members	78	84
Estimated Annual Pensions	\$1,283,659	\$1,394,909

## Financial Data

	<u>12/31/2016</u>	<u>12/31/2015</u>
Smoothed Valuation Assets	\$416,923,172	\$428,816,188
Market Value of Assets	431,569,064	423,186,239

## Conclusion

The Retirement System is being financed in accordance with a sound funding objective of funding benefits as they accrue.



***Section Two:***

# ***Actuarial Calculations – Funding***





**Computed Contribution Rates for The Year Beginning January 1, 2018**

The contribution rates shown below are expressed as percents of active member payroll for all groups.

The normal cost can be viewed as the long-term ongoing cost of the Retirement System.

Actuarial accrued liabilities exceeded assets as of December 31, 2016 in all groups. Amortizing unfunded actuarial accrued liabilities over 25 years produces an amortization payment. The amortization payment was computed as a level percent of active member payroll for all divisions except General & Sheriffs and Mental Health. For General & Sheriffs and Mental Health divisions the level dollar amortization was used, as adopted by the Retirement Commission on June 10, 2013.

**Contribution Recommendations:**

	<u><b>Percents of Payroll</b></u>					
	<b>General &amp; Sheriffs</b>	<b>Water &amp; Waste</b>	<b>District Library</b>	<b>Mental Health</b>	<b>Road Commission</b>	<b>Mt. Morris</b>
Normal Cost						
Regular Retirement	11.59%	8.47%	7.32%	8.41%	11.24%	10.45%
Pre-retirement Death	0.37	0.39	0.27	0.29	0.59	0.20
Disability	1.95	0.64	0.56	0.62	1.56	0.43
Withdrawal	<u>2.99</u>	<u>1.70</u>	<u>1.30</u>	<u>2.20</u>	<u>1.41</u>	<u>3.17</u>
Total Normal Cost	16.90	11.20	9.45	11.52	14.80	14.25
Member Portion	8.51	7.00	1.79	5.00	3.60	5.00
<b>Employer Normal Cost</b>	<b>8.39%</b>	<b>4.20%</b>	<b>7.66%</b>	<b>6.52%</b>	<b>11.20%</b>	<b>9.25%</b>
<b>Unfunded Actuarial Accrued Liability</b>	<b>85.52</b>	<b>13.93</b>	<b>15.30</b>	<b>27.71</b>	<b>20.56</b>	<b>3.88</b>
Temporary Funding Credit	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Expense	1.02	1.02	1.02	1.02	1.02	1.02
<b>Net Employer Contribution Rate</b>	<b>94.93%*</b>	<b>19.15%</b>	<b>23.98%</b>	<b>35.25%*</b>	<b>32.78%</b>	<b>14.15%</b>

\*The computed dollar contribution for General & Sheriffs is \$10,432,935 and for Mental Health is \$3,320,829.

**Employer Contributions – Historical Schedule**

	<b>As Percents of Valuation Payroll</b>					
<b>Valuation Date December 31</b>	<b>General &amp; Sheriffs</b>	<b>Water &amp; Waste</b>	<b>District Library</b>	<b>Mental Health</b>	<b>Road Commission</b>	<b>Mt. Morris</b>
1980*	11.34%			4.09%	12.38%	5.30%
1985*	8.01	6.37%	7.91%	7.03	10.24	4.90
1990*	16.21	6.82	4.15	9.12	10.42	1.62
1995*	18.44	9.99	0.00	7.17	23.34	0.00
1996*	20.19	3.22	0.00	4.69	26.04	3.78
1997*	17.32	10.88	0.00	5.68	19.33	3.76
1998*	11.09	4.14	0.00	1.89	13.78	0.00
1999*	10.29	2.08	0.00	1.20	10.95	0.00
2000*	10.70	3.02	0.00	8.97	12.02	0.00
2001*	10.39	4.71	0.00	8.09	16.93	5.22
2002*	15.52	14.00	0.56	9.44	16.42	11.56
2003*	19.27	15.94	5.40	11.47	18.19	14.96
2004*	22.31	17.11	8.95	13.61	19.57	18.47
2005*	24.28	17.58	12.68	12.80	18.18	18.76
2006*	23.48	15.94	11.20	11.49	16.00	18.21
2007*	25.38	16.49	8.58	11.63	16.60	20.56
2008*	29.33	17.76	11.64	13.96	18.34	20.40
2009	31.74	18.81	12.00	15.16	19.46	21.46
2010*	40.83	18.72	15.13	18.69	22.24	27.08
2011	53.48	20.30	16.87	21.09	25.18	28.43
2012	52.70	20.35	15.93	19.58	25.15	24.34
2013	54.36	18.41	14.34	20.02	23.29	16.45
2014	64.38	16.20	17.65	26.11	23.67	12.52
2015	71.59	15.94	19.53	29.19	24.34	11.15
<b>2016*</b>	<b>94.93</b>	<b>19.15</b>	<b>23.98</b>	<b>35.25</b>	<b>32.78</b>	<b>14.15</b>

\* After benefit and/or actuarial assumption changes.

**Unfunded Actuarial Accrued Liability – by Divisions**

	<b>General &amp; Sheriffs</b>	<b>Water &amp; Waste</b>	<b>District Library</b>	<b>Mental Health</b>	<b>Road Commission</b>	<b>Mt. Morris</b>
<b>Actuarial accrued liability and reserves</b>						
Retirees and beneficiaries	\$276,249,179	\$34,916,859	\$11,027,701	\$75,085,338	\$52,339,469	\$4,345,088
Active and inactive members	<u>51,874,210</u>	<u>23,119,580</u>	<u>5,832,313</u>	<u>36,437,930</u>	<u>25,935,331</u>	<u>1,632,201</u>
Total	328,123,389	58,036,439	16,860,014	111,523,268	78,274,800	5,977,289
<b>Assets allocated to funding*</b>						
	222,561,928	40,662,517	12,153,310	82,208,911	53,666,351	5,670,155
<b>Unfunded actuarial accrued liability</b>						
	105,561,461	17,373,922	4,706,704	29,314,357	24,608,449	307,134
<b>Funded Ratio</b>	67.8%	70.1%	72.1%	73.7%	68.6%	94.9%
<b>Funded Ratio - Prior Year</b>	72.0%	75.5%	79.9%	76.8%	77.1%	96.8%

\*Allocated based on Reserve Balances reported for each division.

**Total Unfunded Actuarial Accrued Liability**

	<b><u>December 31, 2016</u></b>	<b><u>December 31, 2015</u></b>
<b>Actuarial Accrued Liabilities</b>	\$598,795,199	\$576,905,433
<b>Assets Allocated to Funding</b>	<u>416,923,172</u>	<u>428,816,188</u>
<b>Unfunded Actuarial Accrued Liabilities</b>	\$181,872,027	\$148,089,245

*Results shown throughout this report, for years prior to 2001, were prepared by the previous actuary.*

## History of Assets and Accrued Liabilities

Valuation Date 12/31	Valuation Assets	Accrued Actuarial Liabilities	Funded Ratio	Unfunded Accrued Actuarial Liabilities
1980	\$ 48,294	\$ 55,475	87.1 %	\$ 7,181
1985	105,558	91,739	115.1	(13,819)
1990	189,796	172,652	109.9	(17,144)
1991	212,628	200,207	106.2	(12,421)
1992	233,721	239,336	97.7	5,615
1993	251,623	261,782	96.1	10,159
1994	270,364	270,462	100.0	98
1995	299,417	291,703	102.6	(7,714)
1996	317,581	305,706	103.9	(11,875)
1997	331,952	324,882	102.2	(7,714)
1998	380,089	343,752	103.9	(11,875)
1999	418,745	369,606	113.3	(49,139)
2000	432,631	399,583	108.3	(33,048)
2001	425,847	403,159	105.6	(22,688)
2002	414,126	423,009	97.9	8,883
2003	405,218	433,148	93.6	27,930
2004	404,493	458,069	88.3	53,576
2005	412,740	467,582	88.3	54,842
2006	445,962	490,335	91.0	44,373
2007	461,349	514,859	89.6	53,510
2008	439,813	527,640	83.4	87,827
2009	424,483	543,307	78.1	118,824
2010	401,700	564,033	71.2	162,333
2011	365,262	549,929	66.4	184,667
2012	387,979	559,391	69.4	171,412
2013	409,675	548,196	74.7	138,521
2014	426,294	569,836	74.8	143,542
2015	428,816	576,905	74.3	148,089
<b>2016</b>	<b>416,923</b>	<b>598,795</b>	<b>69.6</b>	<b>181,872</b>

**Aggregate Gain/Loss -- Year Ended December 31, 2016**

	<b>General &amp; Sheriffs</b>	<b>Water &amp; Waste</b>	<b>District Library</b>	<b>Mental Health</b>	<b>Road Comm.</b>	<b>Mt. Morris</b>	<b>Totals</b>
(1) UAAL at start of year	\$89,727,825	\$13,368,912	\$3,217,740	\$25,079,024	\$16,512,316	\$183,428	\$148,089,245
(2) EE and ER Normal Cost From Last Year Val	1,952,622	886,805	206,894	1,179,690	1,056,980	79,844	5,362,835
(3) Actual EE and ER Contribution	9,894,935	2,128,033	430,112	5,018,842	2,189,094	94,163	19,755,179
(4) Interest Accrual	6,860,533	1,019,864	248,490	1,852,756	1,275,701	14,101	11,271,446
(5) Expected UAAL Bef. Changes	88,646,045	13,147,548	3,243,012	23,092,628	16,655,903	183,210	144,968,347
(6) Changes Due to Amend.					-		-
(7) Changes Due to Assumps.	11,307,700	1,968,429	519,367	3,098,561	6,309,782	286,682	23,490,521
(8) Expected UAAL After Changes	99,953,745	15,115,977	3,762,379	26,191,189	22,965,685	469,892	168,458,868
(9) Actual UAAL at End of Year	105,561,461	17,373,922	4,706,704	29,314,357	24,608,449	307,134	181,872,027
(10) Gain/(Loss)	\$(5,607,716)	\$(2,257,945)	\$(944,325)	\$(3,123,168)	\$(1,642,764)	\$162,758	\$(13,413,159)

\* Unfunded Actuarial Accrued Liability

**Actuarial Balance Sheet – December 31, 2016**

**Actuarial Assets**

Accrued Assets		
Assets from system's financial statements (market value)	\$431,569,064	
Funding value adjustment	(14,645,892)	
Total accrued assets (funding value)		\$416,923,172
Actuarial present value of expected future		
For normal costs	43,523,584	
For unfunded actuarial accrued liabilities	181,872,027	
		225,395,611
Total Actuarial Present Value of Present and Expected Future Resources		\$642,318,783

**Actuarial Present Values (Liability)**

To retirees and beneficiaries	\$453,963,634
To vested terminated members	10,940,992
To active members	
Allocated to service rendered prior to valuation date	133,890,573
Allocated to service rendered after valuation date	43,523,584
Total Actuarial Present Value of Expected Future Benefit Payments and Reserves	\$642,318,783

## Comments, Recommendation and Conclusion

**Comment 1:** The overall recognized experience of the Retirement System during the year ended December 31, 2016 was less favorable than expected experience based upon the long-term assumptions. The rate of investment return based on the funding value of assets was less than the assumed rate. This was offset in part by salary increases which were less than assumed.

**Comment 2:** This valuation includes the new assumptions adopted by the Retirement Commission following the 2010-2014 Experience Study. The mortality assumption was changed to the RP 2000 Mortality Table projected to 2014. The assumed annual rate of return was reduced to 7.85%. Future annual reductions will be 0.15% to the ultimate 7.0% assumption. Also adopted were the recommended changes in assumed withdrawal, disability, and retirement rates. The increase in the computed employer contributions and the decrease in the funded ratio are attributable to the change in assumptions and the overall experience of the Retirement System during the year.

**Recommendation:** Section 40(b) of the Retirement Ordinance was amended to provide annual transfers from the Reserve for Employer Contributions (REC) to the Reserve for Retired Benefit Payments (RRBP) based upon the annual actuarial valuation. Transfers from the Reserve for Employee Contributions are made at the time of retirement.

In all divisions the computed retiree liabilities were greater than the Reserve for Retired Benefit Payments as of December 31, 2016. We recommend that the following transfers be made to the RRBP so that it equals the retired life liabilities as of December 31, 2016.

Division	Reported Reserve for Retired Benefit Payments*	Computed Liabilities	Recommended Transfer from Reserve for Employer Contributions
General	\$257,597,317	\$276,249,179	\$ 18,651,862
Water & Waste	33,529,649	34,916,859	1,387,210
District Library	10,254,168	11,027,701	773,533
Mental Health	70,381,656	75,085,338	4,703,682
Road Commission	50,853,077	52,339,469	1,486,392
Mt. Morris	9,076,474	4,345,088	4,731,386

\*Including transfers for 2016 retirees made after December 31, 2016.

**Conclusion:** The Retirement System is being financed in accordance with a sound funding objective of funding benefits as they accrue.

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***Section Three:***

***Retirement System  
Benefit Provisions***





**General County**

<b>Benefits</b>	<b>AFSCME 496-00 8 Yrs on 3/23/2011</b>	<b>AFSCME 496-00 Less Than 8 Yrs on 3/23/2011</b>	<b>AFSCME 496-01 8 Yrs on 2/27/2012</b>	<b>AFSCME 496-01 Less Than 8 Yrs on 2/27/2012</b>	<b>AFSCME 496-03 (Drain) 8 Yrs on 7/12/2011</b>	<b>AFSCME 496-03 (Drain) Less Than 8 Yrs on 7/12/2011</b>	<b>PCOA 8 Yrs on 6/29/2011</b>	<b>PCOA Less Than 8 Yrs on 6/29/2011</b>
Group Number(s)	01	01	02	02	03	03	04	04
Sec. 59 Lump Sum Option?	No	No	No	No	No	No	No	No
FAC Period (Years)	2	2	2	2	2	2	2	2
% of FAC Maximum Benefit	75%	75%	75%	75%	75%	75%	75%	75%
Pop-up – ER Paid	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88
COLA Code	1	1	1	1	1	1	1	1
COLA Payroll Code	1	1	1	1	1	1	1	1
Five-Year COLA Adj. Max. %	3%	3%	3%	3%	3%	3%	3%	3%
Benefit Eligibility Age/Service	00/23; 60/08	00/25; 60/08	00/23; 60/08	00/25; 60/08	00/23; 60/08	00/25; 60/08	00/23; 60/08	00/25; 60/08
Deferred Benefit Service/Years Eligibility	15/23	15/25	15/23	15/25	15/23	15/25	15/23	15/25
Benefit Formula; % to 25 Yrs./After 25 Yrs.	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all
Contribution Rate %	9.50%	9.50%	9.50%	9.50%	11.00%	11.00%	9.50%	9.50%
Other Gov. Service Purchase – DB Only	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Military Service Credit Purchase – DB Only	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years
Prior Refunded Time Buyback – DB Only	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date
Sick Leave/Worker Comp./Layoff Buyback – DB Only	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.
Grace Period for Leaves *	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
15-Year Gap Rule	No	No	No	No	No	No	No	No
Cash in Time?	No	No	No	No	No	No	No	No

\* Disability Leave, Workers' Comp. Personal, Educational, FMLA.

**General County - continued**

<b>Benefits</b>	<b>Jud Adm Secretaries 8 Yrs on 9/11/2013</b>	<b>Jud Adm Secretaries Less Than 8 Yrs on 9/11/2013</b>	<b>AFSCME 916 Super 8 Yrs On 3/5/14</b>	<b>AFSCME 916 Super Less Than 8 Yrs On 3/5/14</b>	<b>Teamsters 214 Parks 8Yrs on 8/9/2012</b>	<b>Teamsters 214 Parks Less Than 8 Yrs on 8/9/2012</b>	<b>Teamsters FOC 8 Yrs on 12/7/2011</b>	<b>Teamsters FOC Less Than 8 Yrs on 12/7/2011</b>
Group Number(s)	05	05	06	06	07	07	08	08
Sec. 59 Lump Sum Option?	No	No	No	No	No	No	No	No
FAC Period (Years)	2	2	2	2	2	2	2	2
% of FAC Maximum Benefit	75%	75%	75%	75%	75%	75%	75%	75%
Pop-up – ER Paid	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88
COLA Code	1	1	1	1	1	1	1	1
COLA Payroll Code	1	1	1	1	1	1	1	1
Five-Year COLA Adj. Max. %	3%	3%	3%	3%	3%	3%	3%	3%
Benefit Eligibility Age/Service	00/23; 60/08	00/25; 60/08	00/23; 60/08	00/25; 60/08	00/23; 60/08	00/25; 60/08	00/23; 60/08	00/25; 60/08
Deferred Benefit Service/Years Eligibility	15/23(1)	15/25	15/23(1)	15/25	15/23 (1)	15/25	15/23 (1)	15/25
Benefit Formula; % to 25 Yrs./After 25 Yrs.	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all
Contribution Rate %	9.50%	9.50%	7.00%	7.00%	7.00%	7.00%	9.00%	9.00%
Other Gov. Service Purchase – DB Only	N/A	N/A	N/A	N/A	After 5 years	After 5 years	After 5 years	After 5 years
Military Service Credit Purchase – DB Only	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years
Prior Refunded Time Buyback – DB Only	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date
Sick Leave/Worker Comp./Layoff Buyback – DB Only	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.
Grace Period for Leaves *	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
15-Year Gap Rule	No	No	No	No	No	No	No	No
Cash in Time?	No	No	No	No	No	No	No	No

\*Disability Leave, Workers' Comp. Personal, Educational, FMLA.

(1) Prior to 1/1/88 defer with 8 years of service.

## General County – continued

Benefits	NON-UNION 7/11/15	POAM On or After 1/1/2000 with 15 years of service on 2/26/2013	POAM On or After 1/1/2000 with Less than 15 years of service on 2/26/2013	AFSCME Local 916 5 Sergeants Hired on or after After 1/1/88	AFSCME Local 916 5 Sergeants Hired on Or after After 1/1/99 With 15 yrs service on 5/24/13	AFSCME Local 916 5 Sergeants Hired on Or after After 1/1/99 With less than 15 Yrs Service on 5/24/13	AFSCME Local 916 6 Lieutenants, Captains Hired on or After 1/1/88	AFSCME Local 916 6 Lieutenants, Captains After 1/1/99 with 15 years of service on 5/24/2013	AFSCME Local 916 6 Lieutenants, Captains After 1/1/99 with less than 15 years of service on 5/24/2013
Group Number(s)	09,10	11	11	12	12	12	12	12	12
Sec. 59 Lump Sum Option?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FAC Period (Years)	2	2	2	2	2	2	2	2	2
% of FAC Maximum Benefit	75%	75%	75%	75%	75%	75%	75%	75%	75%
Pop-up – ER Paid	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88	1/1/88
COLA Code	1	1	1	1	1	1	1	1	1
COLA Payroll Code	1	6	6	6	6	6	6	6	6
Five-Year COLA Adj. Max. %	3%	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.	9 yr min. 1.75% comp.
Benefit Eligibility Age/Service	00/23; 60/08	00/23; 60/15	00/25; 60/15	00/20; 60/08	00/23; 60/15	00/25; 60/15	00/20; 60/08	00/23; 60/15	00/25; 60/15
Deferred Benefit Service/Years Eligibility	15/23	15/23	15/25	15/20	15/23	15/25	15/20	15/23	15/25
Benefit Formula; % to 25 Yrs./After 25 Yrs.	2.4% all	2.5% all	2.5% all	2.5% all	2.5% all	2.5% all	2.5% all	2.5% all	2.5% all
Contribution Rate %	9.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Other Gov. Service Purchase – DB Only	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years
Military Service Credit Purchase – DB Only	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years	After 5 years
Prior Refunded Time Buyback – DB Only	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date
Sick Leave/Worker Comp./Layoff Buyback – DB Only	Within 1 Yr.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.	Within 1 Yr. of Ret.
Grace Period for Leaves *	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
15-Year Gap Rule	No	No	No	No	No	No	No	No	No
Cash in Time?	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes

\*\*

\*\*

\*\*

COLA Code: 6. 1.75% compounded min. of 9 years or age 65 (the greater of).

\*Disability Leave, Workers' Comp. Personal, Educational, FMLA.

\*\* Hire Prior to 1/1/1988 – Retire 00/20; 60/8 and Defer 8/20.

**Community Mental Health (Genesee Health System)**

<b>Benefits</b>	<b>Non-Union Before 2/9/89</b>	<b>Non-Union After 2/9/89</b>	<b>Program Chiefs</b>	<b>Teamsters Before 2/9/89</b>	<b>Teamsters After 2/9/89</b>	<b>AFSCME</b>
Group Number(s)	30	30	32	33	33	34
Choice of Retirement Plans	DB	DB	DB	DB	DB	DB
Sec. 59 Lump Sum Option?	Yes	Yes	Yes	Yes	Yes	Yes
FAC Period (Years)	3	3	3	3	3	3
% of FAC Maximum Benefit	65%	60%	65%	65%	65%	65%
Pop-up – ER Paid	Effective 2/9/89	Effective 2/9/89	Effective 2/9/89	Effective 2/9/89	Effective 2/9/89	Effective 2/9/89
COLA Code	2	2	2	2	2	2
COLA Payroll Code	2	2	2	2	2	2
Five-year COLA Adj. Max. %	2%*	2%*	2%*	2%*	2%*	2%*
Benefit Eligibility Age/Service	00/23; 60/08	00/23; 60/08	00/23; 60/08	00/23; 60/08	00/23; 60/08	00/23; 60/08
Deferred Benefit Service/Years Eligibility	8/23	15/25	8/25	8/25	15/25	15/25
Benefit Formula; % to 25 Yrs./After 25 Yrs.	2.4/ 1.0	2.4/ 1.0	2.4/ 1.0	2.4/ 1.0	2.4/ 1.0	2.4/ 1.0
Contribution Rate %	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Other Governmental Service Purchase – DB Only	After 8 years	After 8 years	After 8 years	After 8 years	After 8 years	After 8 years
Military Service Credit Purchase – DB Only	After 8 years	After 8 years	After 8 years	After 8 years	After 8 years	After 8 years
Prior Refunded Time Buyback – DB Only	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date
Sick Leave/Workers Comp./Layoff Buyback – DB Only	1 Yr. from Return Date	1 Yr. from Return Date	1 Yr. from Return Date	1 Yr. from Return Date	1 Yr. from Return Date	1 Yr. from Return Date
Grace Period for Leaves	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
15-year Gap Rule	Eliminated	Eliminated	Eliminated	Eliminated	Eliminated	Eliminated

COLA Code:

2. COLA begins on January 1 following retirement.

\* Increases are based on CPI up to stated maximum (Nov. to Nov. 1977 CPIW).

DB Plan Closed to AFSCME Members hired on or after 10/1/2007.

DB Plan Closed to Teamsters members hired on or after 11/20/2007.

DB Plan Closed to Non-Union new hires on or after 5/8/2012.

**Road Commission**

Benefits	Exempt	Supervisors Hired Before 7/9/02	Supervisors Hired After 7/9/02	SEIU 517M Before 7/9/02	SEIU 517M After 7/9/02	AFSCME 496 Hired Before 7/1/04	AFSCME 496 Hired After 7/1/04
Group Number(s)	53	50	50	51	51	52	52
Choice of Retirement Plans	DB	DB	DB	DB	DB	DB	DB
Sec. 59 Lump Sum Option?	No	Yes	Yes	Yes	Yes	Yes	Yes
FAC Period (Years)	3	3	3	3	3	3	3
% of FAC Maximum Benefit	75%	75%	75%	75%	75%	75%	75%
Pop-up – ER Paid	Effective 5/21/91	Effective 5/1/90	Effective 5/1/90	Effective 8/28/90	Effective 8/28/90	Effective 1/1/88	Effective 1/1/88
COLA Code	5	4	4	4	4	N/A	N/A
COLA Payroll Code	1	1	1	1	1	N/A	N/A
Five-year COLA Adj. Max. %	3%	4%	4%	4%	4%	N/A	N/A
Benefit Eligibility Age/Service	00/25; 60/08	00/25; 60/08	00/25; 60/15	00/25; 60/08	00/25; 60/15	00/23; 58/08	00/23; 58/15
Deferred Benefit Service/Years Eligibility	8/25	8/25	15/25 (1)	8/25	15/25 (2)	8/23	15/25
Benefit Formula; % to 25 Yrs./After 25 Yrs.	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all	2.4% all
Contribution Rate %	6.00%	1.00%	1.00%	4.00%	4.00%	1.50%	1.50%
Other Governmental Service Purchase	After 8 Years	After 5 years	After 5 years	After 8 years	After 8 years	After 8 years	After 8 years
Military Service Credit Purchase	After 8 years	After 5 years	After 5 years	After 8 years	After 8 years	After 8 years	After 8 years
Prior Refunded Time Buyback	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date
Sick Leave/Worker's Comp./Layoff Buyback	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date
Grace Period for Leaves	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
* Early Elig. – Retire <58 at 6/10 of 1% per month reduction	N/A	N/A	N/A	N/A	N/A	Yes	Yes
* Early Elig. – Retire 55-60 at 6/10 of 1% per month reduction	Yes	N/A	N/A	Yes – 8/55	Yes –15/55	N/A	N/A

(1) If vested with a minimum of fifteen (15) when separated, then age 60, or twenty-five (25) years of service.

(2) If vested with a minimum of fifteen (15) when separated, then age 60, or age 55 with applicable reduction or twenty-five (25) years of service.

**COLA Codes:**

4. COLA begins after three full years of retirement.
5. COLA begins one full year after retirement

**Water & Waste**

<b>Benefits</b>	<b>AFSCME 1918 Hired Prior to 1/1/2006</b>	<b>AFSCME 1918 Hired After 1/1/2006</b>	<b>AFSCME 1918 Hired After 1/1/2011</b>	<b>Non-Union Hired Prior to 1/1/2006</b>	<b>Non-Union Hired After 1/1/2006 to 12/31/2011</b>	<b>Non-Union After 1/1/2012</b>
Group Number(s)	80	80	80	81	81	81
Choice of Retirement Plans	DB	DB	DB	DB	DB	DB
Sec. 59 Lump Sum Option?	No	No	No	No	No	No
FAC Period (Years)	2	3 out of last 5	3 out of last 5	2	3 out of last 5	3 out of last 5
% of FAC Maximum Benefit	85% of Base Wage Rate	85% of Base Wage Rate	85% of Base Wage Rate	85% of Base Wage Rate	85% of Base Wage Rate	85% of Base Wage Rate
Pop-up – ER Paid	Effective 9/24/90	Effective 9/24/90	Effective 9/24/90	Effective 9/24/90	Effective 9/24/90	Effective 9/24/90
COLA Code	1	1	1	1	1	1
COLA Payroll Code	1	1	1	1	1	1
Five-year COLA Adj. Max. %	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Benefit Eligibility Age/Service	00/23; 60/10 (X)	55/23; 60/10 (X)	55/23; 60/10 (X)	00/23; 60/10 (X)	55/23; 60/10 (X)	55/23; 60/10 (X)
Deferred Benefit Service/Years Eligibility	10 and Age 60	10 and Age 60	10 and Age 60	10 and Age 60	10 and Age 60	10 and Age 60
Benefit Formula; % to 25 Yrs./After 25 Yrs.	2.4 all years	2.4/1.0	2.0/1.0	2.4 all years	2.4/1.0	2.0/1.0
Contribution Rate % (Pre Tax Basis)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Other Governmental Service Purchase (OGS)	After 3 years	After 3 years	After 3 years	After 3 years	After 3 years	After 3 years
Maximum OGS Purchase Limitation	5 years	5 years	5 years	None	None	None
Military Service Credit Purchase	After 3 years	After 3 years	After 3 years	After 3 years	After 3 years	After 3 years
Maximum Military Service Credit Purchases	5 years	5 years	5 years	None	None	None
Prior Refunded Time Buyback	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date	1 Year from Hire Date
Sick Leave/Worker's Comp./Layoff Buyback	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date	1 Year from Return Date
Grace Period for Layoff	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days
Grace Period for Sick Leave & WC Leave	60 Days	60 Days	60 Days	60 Days	60 Days	60 Days

(X) Age and Service Retirement at 55 years of age with a minimum of 10 years of credited service with pension portion of retirement allowance reduced .50% by the number of months the date of retirement precedes the date they would attain age 60.

**City of Mt. Morris**

<b>Benefits</b>	<b>Non-Union</b>	<b>Local 1918</b>	<b>POLC &amp; POLC Supervisors</b>
Group Number(s)	60	60	61
Choice of Retirement Plans	DB	DB	DB
Sec. 59 Lump Sum Option?	No	No	No
FAC Period (Years)	3	3	3
% of FAC Maximum Benefit	75%	75%	75%
Pop-up – ER Paid	Yes 12/31/02	Yes 12/31/02	Yes 12/31/02
COLA Code	5	5	5
COLA Payroll Code	5	5	5
Five-year COLA Adj. Max. %	3% for 5 years	3% for 5 years	3% for 5 years
Benefit Eligibility Age/Service	00/22; 60/08	00/22; 60/08	00/22; 60/08
Deferred Benefit Service/Years Eligibility	8/22	8/22	8/22
Benefit Formula %	2.5% all	2.5% all	2.5% all
Contribution Rate %	5.0%	5.0%	5.0%
Other Governmental Service	After 8 years	No	After 8 years
Military Service Credit Purchase	After 8 years	After 8 years	After 8 years
Prior Refunded Time Buyback	Within 1 Yr. of Hire	Within 1 Yr. of Hire	Within 1 Yr. of Hire
Sick Leave/Workers Comp./Layoff Buyback	Within 1 Yr. of Return	Within 1 Yr. of Return	Within 1 Yr. of Return
Grace Period for Leaves	Unknown	Unknown	Unknown

COLA Code:

5. Up to 3% CPIW (r decimals) using Nov-Nov 1982-84.

**District Library**

	Closed to New Hires on or after: 1/1/13	Closed to New Hires on or after: 1/1/13	Closed to New Hires on or after: 1/1/13	Closed to New Hires on or after: 1/1/13
Benefits	Union & Non-Union Before 7/1/95	Union & Non-Union After 7/1/95	Union & Non-Union After 1/1/98	Non-Union Directors On or After 6/1/04
Group Number(s)	90	90	90	91
Choice of Retirement Plans	DB	DB	DB	DB
Sec. 59 Lump Sum Option?	No	No	No	No
FAC Period (Years)	5/10#	5/10#	5/10#	2/10
% of FAC Maximum Benefit	60%	60%	60%	60%
Pop-up – ER Paid	None	None	None	None
COLA Code	3	3	3	3
COLA Payroll Code	2	2	2	2
Five-year COLA	Yes*	Yes*	Yes*	Yes*
Benefit Eligibility Age/Service	00/25; 60/08	00/25; 60/12	00/25; 60/12	00/25; 60/12
Deferred Benefit Service/Years Eligibility	8/25	8/25**	8/25**	8/25*
Benefit Formula; % to 25 Yrs/After 25 Yrs.	2.3/1.0%	2.3/1.0%	2.3/1.0%	2.3/1.0%
Contribution Rate %	1.50%	1.50%	2.00%	5.00%
Other Governmental Service Purchase	No	No	No	No
Military Service Credit Purchase	No	No	No	No
Prior Refunded Time Buyback	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date	1 Yr. from Hire Date
Sick Leave/Workers Comp./Layoff Buyback	1 Yr. from Return Date	1 Yr. from Return Date	1 Yr. from Return Date	1 Yr. from Return Date
Grace Period for Leaves	(1)	(1)	(1)	(1)

COLA Codes:

2. Nov.-Nov. 1977 CPIW.
3. COLA begins on January 1 after one full year of retirement.

\* Increases are based on CPI up to stated maximum.

\*\* If vested with at least 8 when separated; then age 60 with at least 12 years of service; or 25 years of service; whichever comes first.

- (1) Disability, layoff, Worker's Comp., Educational, Personal, FMLA = 30 days grace.  
 Union Educational Leave = 20 days grace.  
 Union Business Leave – Repay EE and ER contributions for retirement service credit.



## **Benefit Provision Summary**

### ***Duty Disability Retirement***

*Eligibility:* No age or service requirements. Must be in receipt of worker's compensation.

*Groups Covered:* All.

*Annual Benefit:*

Computed as a regular retirement with additional service credit granted from date of retirement to date regular retirement age would have been attained. Prior to age 65 maximum benefit is 90% of FAC (increased by 2.5% for each year of retirement) less worker's compensation payment and/or other remuneration.

### ***Non-Duty Disability Retirement***

*Eligibility:* Generally 10 or more years of credited service. Water and Waste Employees require 15 years of credited service.

*Groups Covered:* All.

*Annual Benefit:*

Computed as a regular retirement. Prior to age 65 maximum benefit is 90% of FAC (increased by 2.5% for each year of retirement) less long-term sick benefits and /or other remuneration.

### ***Duty Death Before Retirement***

*Eligibility:* No age or service requirements. Must be in receipt of worker's compensation

Groups Covered: All.

*Annual Benefit:*

Refund of accumulated contributions. Upon termination of worker's compensation the same amount is paid by the Retirement System to the surviving spouse for life or until remarriage, to unmarried children under 18 and to dependent parents.

### ***Non-Duty Death Before Retirement***

*Eligibility:* 15 or more years of credited service or age 60 with 10 or more years of credited service.

*Groups Covered:* All.

*Annual Benefit:*

Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.

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***Section Four:***

***Actuarial Assumptions  
And Methods***



## Actuarial Assumptions

### Economic Assumptions

<b>(i) Interest Rate</b>	7.85% (net of expenses)
<b>(ii) Salary Increases</b>	
Across-the-Board	3.0%
Merit and Longevity	Age-related rates

### Sample Annual Rates of Salary Increase

<b>Age</b>	<b>Across-the-Board</b>	<b>Merit and Longevity</b>	<b>Total</b>
20	3.00 %	4.03 %	7.03 %
25	3.00	3.28	6.28
30	3.00	2.81	5.81
35	3.00	2.49	5.49
40	3.00	2.24	5.24
45	3.00	1.76	4.76
50	3.00	1.19	4.19
55	3.00	0.70	3.70
60	3.00	0.17	3.17
65	3.00	0.00	3.00

## Demographic Assumptions

### (i) Mortality

RP 2000 Combined Healthy  
Mortality Table Projected to 2014

Sample Ages	Future Life Expectancy (Years)	
	Men	Women
55	27.5	29.6
60	23.0	25.1
65	18.8	20.8
70	14.9	16.9
75	11.3	13.3
80	8.3	10.1

### (ii) Disability

Sample Ages	Percent Becoming Disabled Within Next Year	
	General, W&W, Lib., CMH, Roads, MM	Sheriffs
20	0.06%	0.10%
25	0.08	0.15
30	0.09	0.20
35	0.12	0.25
40	0.15	0.50
45	0.25	0.65
50	0.45	0.80
55	0.50	0.95

**(iii) Termination of Employment**

Service related rates for first 5 years of employment. Age related rates for after first 5 years of employment

<b>% of Active Members Separating Within Next Year</b>					
<b>Sample Ages</b>	<b>Years of Service</b>	<b>General, Library Mental Health, Mt. Morris</b>	<b>W &amp; W</b>	<b>Sheriffs</b>	<b>Road Commission</b>
All	0	30.00%	30.00.0%	12.00%	20.00%
	1	20.00	20.00	9.00	15.00
	2	15.00	15.00	7.00	10.00
	3	10.00	10.00	5.00	8.00
	4	7.00	7.00	4.50	7.00
25	5 & Over	6.00	6.00	5.00	4.00
30		5.50	5.00	4.50	4.00
35		4.40	4.00	3.55	2.00
40		1.85	1.50	1.45	1.00
45		1.25	1.00	0.75	0.50
50		1.25	1.00	0.75	0.50
55		1.25	1.00	0.75	0.50
60		1.25	1.00	0.75	0.50

(iv) Retirement Rates

**Active Members Retiring within Year  
Following Attainment of Indicated Retirement Age**

**Percent Retiring – Age Related Rates**

<b>Age Retiring</b>	<b>General*</b>	<b>Sheriffs</b>	<b>Road Commission</b>
58			10%
59			10
60	30%	40%	10
61	20	20	15
62	30	15	35
63	30	15	20
64	30	25	30
65	50	100	60
66	30	100	35
67	30	100	30
68	30	100	30
69	30	100	45
70	100	100	100

*\*Includes Water & Waste, Mental Health, District Library and Mt. Morris.*

**Active Members Retiring within Year  
Following Attainment of Indicated Service**

**Percent Retiring – Service Related Rates**

<b>Years of Service</b>	<b>General, MM</b>	<b>CMH, Lib.</b>	<b>Sheriffs</b>	<b>Roads</b>	<b>W &amp; W</b>
20			50%		
21			50		
22			50		
23	35%	15%	50	10%	10%
24	30	10	40	10	8
25	25	10	40	35	8
26	25	10	35	35	8
27	10	10	20	25	8
28	10	10	15	10	8
29	10	10	15	10	8
30	10	10	15	10	10
31	10	10	15	10	10
32	10	10	15	10	10
33	15	15	15	10	15
34	15	15	25	10	15
35	15	15	100	10	15
36	15	15	100	10	15
37	15	15	100	10	15
38	100	100	100	10	100
39	100	100	100	10	100
40	100	100	100	100	100

## Actuarial Method Used for the Valuation

**Normal Cost.** Normal cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry-age actuarial cost method having the following characteristics:

- ❖ The annual normal costs for each individual active member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- ❖ Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

**Financing of Unfunded Actuarial Accrued Liability.** Unfunded actuarial accrued liability was amortized as a level dollar amount over 25 years for General and Community Mental Health. Unfunded actuarial accrued liability was amortized as a level percent of payroll over 25 years for all other divisions.

Active member payroll was assumed to increase 3.00% a year for the purpose of determining the level percent of payroll amortization payments.



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***Section Five:***

***Valuation Data***



### Asset Summary

As of December 31, 2016 the market value of assets was reported to be \$431,569,064. The funding value of assets (smoothed market value) was computed to be \$416,923,172.

<b>Beginning of Year Values</b>	<b><u>12/31/15</u></b>	<b><u>12/31/16</u></b>
(1) Cost Value	\$405,426,992	\$386,522,015
(2) Market Value	444,707,729	423,186,239
(3) Funding Value	426,294,429	428,816,188
(4) Net Realized Gains(Losses for Year)	(12,059,607)	12,877,501
(5) Net Addition to Cost Value for Year: (10) - (1)	(18,904,977)	(8,726,877)
(6) Net Contribution for Year: (5) - (4)	(6,845,370)	(21,604,378)
(7) Capital Value Change for Year: (11) – (2) – (6)	(14,676,120)	29,987,203
(8) Capital Value Changes Recognized: .25 x (7)		
(a) From Current Year	(3,669,030)	7,496,800
(b) From 1 Year Prior	(606,437)	(3,669,030)
(c) From 2 Years Prior	6,490,029	(606,437)
(d) From 3 Years Prior	7,152,567	6,490,029
(e) Total	9,367,129	9,711,362
(9) Increase(Decrease) in Funding Value: (6) + (8)	2,521,759	(11,893,016)
<b>End of Year Values</b>		
(10) Cost Value	\$386,522,015	\$377,795,138
(11) Market Value	423,186,239	431,569,064
(12) Funding Value: (3) + (9)	428,816,188	416,923,172
(13) Nominal Rate of Return on Funding Value	7.0%	3.43%

**Reported Assets (Book Value) – December 31, 2016****Reserve for Employees' Contributions:**

General & Sheriffs	\$ 8,019,675
Water & Waste	5,070,721
District Library	513,561
Mental Health	9,811,382
Road Commission	4,237,350
Mt. Morris	<u>385,565</u>
Totals	\$28,038,254

**Reserve for Employer Contributions:**

General & Sheriffs	\$(64,016,946)
Water & Waste	(1,766,411)
District Library	239,151
Mental Health	(5,727,644)
Road Commission	(6,479,439)
Mt. Morris	<u>(4,325,131)</u>
Totals	\$(82,076,420)

**Reserve for Retired Benefit Payments:**

General & Sheriffs	\$257,597,317
Water & Waste	33,529,649
District Library	10,254,168
Mental Health	70,381,656
Road Commission	50,853,077
Mt. Morris	<u>9,076,474</u>
Totals	\$431,692,341

**Total Reported Assets (Book Value):** **\$377,654,175**

**Participant Summary****Retirees and Beneficiaries Included in the Valuation**

There were 1,734 retirees and beneficiaries included in the valuation, with annual pensions totaling \$45,562,863.

During 2016, there were 56 new retirees and 46 deceased.

**Pensions Being Paid  
Historical Schedule**

<b>Valuation Date December 31</b>	<b>No.</b>	<b>Annual Pensions</b>	<b>Average Pension</b>	<b>Number of Deaths</b>	<b>Discounted Value of Pensions</b>	
1994	979	\$13,057,839.60	\$13,338	*	*	*
1995	1,002	13,911,585.36	13,884	*	*	*
1996	1,051	15,421,755.84	14,673	*	*	*
1997	1,101	17,022,214.44	15,461	*	*	*
1998	1,133	18,033,234.84	15,920	*	*	*
1999	1,168	19,645,572.96	16,820	*	*	*
2000	1,253	22,019,114.64	17,573	*	\$228,887,000	\$180,277
2001	1,268	22,943,508.00	18,094	23	238,254,342	187,898
2002	1,294	24,112,158.00	18,634	34	249,245,058	192,616
2003	1,313	25,133,705.00	19,142	30	251,703,847	191,701
2004	1,343	26,520,677.00	19,747	46	267,193,421	198,953
2005	1,377	28,241,645.00	20,510	41	280,674,919	203,831
2006	1,395	29,492,951.00	21,142	41	298,432,104	213,930
2007	1,413	30,485,990.00	21,575	43	318,316,713	225,277
2008	1,438	31,661,917.00	22,018	39	324,903,521	225,941
2009	1,477	33,588,491.00	22,741	33	344,565,873	233,288
2010	1,551	36,667,863.00	23,641	40	386,466,961	249,173
2011	1,607	39,131,317.00	24,351	50	401,475,821	249,829
2012	1,638	40,600,799.00	24,787	30	411,287,448	251,091
2013	1,657	41,729,183.00	25,184	45	405,517,132	244,730
2014	1,687	43,151,414.00	25,579	28	427,142,549	253,197
2015	1,717	44,663,724.00	26,013	43	437,827,822	261,078
<b>2016</b>	<b>1,734</b>	<b>45,562,863.00</b>	<b>26,276</b>	<b>46</b>	<b>453,963,634</b>	<b>261,801</b>

\*Amounts not available.

**Retirees and Survivors – December 31, 2016****Retirees and Survivors - December 31, 2016**

<b>Attained Age</b>	<b>Age and Service</b>		<b>Casualty</b>		<b>Totals</b>	
	<b>No.</b>	<b>Annual Pensions</b>	<b>No.</b>	<b>Annual Pensions</b>	<b>No.</b>	<b>Annual Pensions</b>
20-24	-		-		-	
25-29	1	\$18,328	2	\$ 6,510	3	\$ 24,838
30-34			2	18,146	2	18,146
35-39			3	37,977	3	37,977
40-44	6	181,672	6	134,648	12	316,320
45-49	45	1,380,744	3	48,584	48	1,429,328
50-54	116	3,683,818	6	71,327	122	3,755,145
55-59	200	6,606,885	14	347,054	214	6,953,939
60-64	320	9,686,251	14	223,079	334	9,909,330
65-69	341	9,453,343	26	483,682	367	10,088,818
70-74	220	5,739,351	15	260,879	235	6,000,230
75-79	145	3,136,549	3	76,645	148	3,213,194
80-84	107	2,032,007	11	92,031	118	2,124,038
85-89	68	1,091,038	5	32,872	73	1,123,910
90-94	33	394,116	5	25,427	38	419,543
95-99	15	136,440	1	5,154	16	141,594
Over 100			1	6,513	1	6,513
<b>Totals</b>	<b>1,617</b>	<b>\$43,540,542</b>	<b>117</b>	<b>\$1,870,528</b>	<b>1,734</b>	<b>\$45,562,863</b>

*Average Age at Retirement: 52.1 years.*

*Average Age Now: 67.1 years.*

**Pensions by Division**

	<b><u>December 31, 2016</u></b>		<b><u>December 31, 2015</u></b>	
	<b>No.</b>	<b>Annual Amount</b>	<b>No.</b>	<b>Annual Amount</b>
General	1,024	\$27,495,873	997	\$26,721,524
Water & Waste	104	3,509,547	102	3,487,724
District Library	54	1,244,717	53	1,216,922
Mental Health	326	7,481,243	333	7,334,233
Road Commission	210	5,422,921	215	5,479,318
Mt. Morris	16	408,562	17	424,003
<b>Totals</b>	<b>1,734</b>	<b>\$45,562,863</b>	<b>1,717</b>	<b>\$44,663,724</b>

**General & Sheriffs Active Members - December 31, 2016**  
**Age and Service Distribution**

Attained Age	Service							Total	Payroll
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	No.	
30-34			5					5	\$323,587
35-39			15	2				17	1,090,166
40-44			13	26				39	2,528,868
45-49		1	12	20	12			45	3,024,362
50-54			8	4	15	2		29	1,769,694
55-59			3	6	11			20	1,314,661
60-64			2	4	4	2		12	722,536
65-69		1	1		1			3	216,261
Totals		2	59	62	43	4	0	170	\$10,990,135

**Group Averages:**

Age: 48.3 years

Service: 17.5 years

Annual Pay: \$64,648

Number Vested - 110, Number Not Vested – 60

**Waste & Water Active Members December 31, 2016  
Age and Service Distribution**

<b>Attained</b>	<b>Service</b>							<b>Total</b>	
<b>Age</b>	<b>0-4</b>	<b>5-9</b>	<b>10-14</b>	<b>15-19</b>	<b>20-24</b>	<b>25-29</b>	<b>30-34</b>	<b>No.</b>	<b>Payroll</b>
20-24	1							1	\$104,837
25-29	2							2	81,257
30-34	5	3		1				9	522,006
35-39	3	2	7	4				16	941,315
40-44	7	1	5	8	1			22	1,367,161
45-49	2	2	10	9	3	1	1	28	1,836,348
50-54	2	5	2	8	1	1	1	20	1,373,695
55-59	3		7	4	4	2		20	1,353,066
60-64		1	2	5	1			9	767,889
65-69			1					1	47,754
<b>Totals</b>	<b>24</b>	<b>14</b>	<b>34</b>	<b>39</b>	<b>10</b>	<b>4</b>	<b>2</b>	<b>128</b>	<b>\$8,395,328</b>

**Group Averages:**

Age: 47.5 years

Service: 13.1 years

Annual Pay: \$65,589

Number Vested - 89, Number Not Vested -39



**District Library Active Members - December 31, 2016**  
**Age and Service Distribution**

Attained Age	Service							Total No.	Payroll
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30		
30-34	2							2	\$96,473
35-39	2	1	5					8	368,578
40-44			2	1				3	136,795
45-49		1	2	3	1			7	369,224
50-54	1	1	2	4		1		9	456,394
55-59	1	2	2	1				6	297,062
60-64		1	1				2	4	193,813
65-69		1		1			1	3	152,673
<b>Totals</b>	<b>6</b>	<b>7</b>	<b>14</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>42</b>	<b>\$2,071,012</b>

**Group Averages:**

Age: 49.9 years  
Service: 14.0 years  
Annual Pay: \$49,309

Number Vested -35      Number Not Vested -7

**Mental Health Active Members - December 31, 2016**  
**Age and Service Distribution**

Attained Age	Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	No.	Payroll
30-34			2					2	\$129,072
35-39			7	2				9	593,602
40-44			12	6				18	1,070,802
45-49		5	6	13	10	2		36	2,404,467
50-54			7	3	10	4		24	1,394,205
55-59		3	5	12	10	4	4	38	2,501,343
60-64			3	4	8		1	16	1,143,542
65-69						1		1	69,645
70-74			1					1	75,608
75-79			1					1	37,299
<b>Totals</b>		<b>8</b>	<b>44</b>	<b>40</b>	<b>38</b>	<b>11</b>	<b>5</b>	<b>146</b>	<b>\$9,419,585</b>

Group Averages:

Age: 51.7 years  
Service: 18.2  
Annual Pay: \$64,518

Number Vested 94 , Number Not Vested 52

**Road Commission Active Members - December 31, 2016**  
**Age and Service Distribution**

Attained Age	Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	No.	Payroll
20-24	3							3	\$130,199
25-29	2							2	109,708
30-34	2	1	2					5	330,347
35-39	4	2	4	3				13	774,129
40-44	2	2	7	4	3			18	1,132,635
45-49	4	3	6	6	9	1		29	1,701,905
50-54	1	0	7	14	10	2		34	2,120,061
55-59	4	2	3	0	5	0		14	909,304
60-64	2	0	2	4	1			9	571,133
65-69			2					2	99,962
70-74			1	1				2	177,761
<b>Totals</b>	<b>24</b>	<b>10</b>	<b>34</b>	<b>32</b>	<b>28</b>	<b>3</b>		<b>131</b>	<b>\$8,057,144</b>

**Group  
Averages:**

Age: 48.6 years  
Service: 14.0 years  
Annual Pay: \$61,505

Number Vested - 82    Number Not Vested – 49

**Mt. Morris Active Members - December 31, 2016**  
**Age & Service Distribution**

Attained Age	Service					Total No.	Payroll
	0-4	5-9	10-14	15-19	20-24		
20-24	1					1	24,085
25-29		1				1	59,951
30-34						1	62,142
35-39	1	1	1	1		4	215,940
50-54	1				1	2	122,033
60-64				1		1	48,681
<b>Totals</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>\$532,832</b>

**Group Averages:**

Age: 40.3 years  
 Service: 9.5 years  
 Annual Pay: \$53,283

Number Vested - 4      Number Not Vested – 6

**Active Members – Three-Year Summary**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Active Members	627	671	713
Valuation Payroll	\$39,466,036	\$41,687,051	\$43,723,698
Average Compensation	\$62,944	\$62,167	\$61,324
Average Age (yrs.)	48.5	48.6	48.3
Average Service (yrs.)	15.7	15.1	14.7

### **Vested Inactive Members Included in the Valuation**

There were 78 inactive vested members included in the valuation consisting of 26 General, 7 Water and Waste, 27 Mental Health, 8 Road Commission, and 10 Library Members.

### **Inactive Members – December 31, 2016**

<b>Valuation Division</b>	<b>No.</b>	<b>Estimated Annual Pensions</b>
General	26	\$505,209
Water & Waste	7	97,235
District Library	10	102,291
Mental Health	27	422,658
Road Commission	8	156,256
<b>Totals</b>	<b>78</b>	<b>\$1,283,649</b>