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City of Meriden Employees' Retirement System

Actuarial Valuation Report

July 1, 2012

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April 5, 2013

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Introduction

Purpose of the Valuation

The purpose of the valuation is to determine the funded status of the plan as well as the recommended cash contribution for the plan year.

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings service to reduce the cost of plan benefits and expenses. Thus,

<i>City's ultimate</i>	=	<i>benefits</i>	+	<i>expenses</i>	-	<i>investment</i>	-	<i>employee</i>
<i>cost</i>		<i>paid</i>		<i>incurred</i>		<i>return</i>		<i>contributions</i>

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the range of annual cash contributions is developed.

Information Available in the Valuation Report

The Executive Summary and Introduction are intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Valuation Results and Actuarial Basis. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Contribution for 2014 and 2015 Fiscal Years

The actuarial valuation as of July 1, 2012 produces the contribution for the City's 2014 and 2015 fiscal years. The actuarially calculated contribution payable (after allowing for employee contributions) is as follows:

Fiscal Year Ending	
2014	2015
Amount	Amount
\$2,302,606	\$2,307,742

Introduction

(continued)

Asset Performance

The plan's assets provided the following rates of return on plan assets during the past two fiscal years.

	Fiscal Year Ending	
	2011	2012
Market Value Basis	19.7%	-3.5%
Actuarial Value Basis	6.5%	4.5%

The Actuarial Value of assets, rather than the Market Value, is used to determine plan contributions. The Actuarial Value spreads the asset volatility over five years, thereby smoothing out fluctuations that are inherent in the Market Value.

The valuation uses a long-term investment return assumption of 8.00% on the Actuarial Value of assets. Because the actual return in 2011 and 2012 was less than this assumption, there was an actuarial loss from assets.

Participant Data

The valuation incorporates assumptions anticipating changes in the demographics of the participant population. Actual experience will produce greater or smaller than expected increases in the actuarial liabilities.

There were some small liability gains which were offset by the asset losses and the net result caused an increase in the contribution.

Plan Changes

For Police Officers and non-BOE City Employees, updates were made to the Accrued Benefit, Employee Contribution and Death Benefit provisions. In addition, the Eligibility for Participation changed for City Employees and Police Officers.

Assumption and Cost Method Changes

There was an adjustment to the Salary Scale to better reflect plan experience.

Changes since the Last Valuation

The amortization period used to develop the contribution amounts changed from 10 to 25 years.

New Accounting Standards

In June of 2012, The Government Accounting Standards Board (GASB) issued statements 67 and 68. GASB 67 is a new standard that pertains to financial reporting for pension plans. In general, it replaces GASB 25 and it is effective for fiscal years beginning after June 15, 2013. GASB 68 is a new standard that pertains to accounting and financial reporting for pensions. In general, it replaces GASB 27 and it is effective for fiscal years beginning after June 15, 2014. Both statements replace the relevant provisions of GASB 50.

Currently, your annual financial report tracks the Net Pension Obligation (NPO) and the NPO is displayed in the footnote section of the annual financial report. With GASB 68, the NPO will no longer be tracked. A new item called Net Pension Liability (NPL) will be displayed not as a footnote but directly on your balance sheet. For both standards, liabilities are calculated using the Entry Age Normal Cost Method. In general, the NPL is EAN Accrued Liability less the Market Value of Assets. A table that displays the NPL for the City's pension plan is below.

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Market Value Of Assets</u>	<u>Net Pension Liability</u>
July 1, 2008	123,480,133	141,626,518	(18,146,385)
July 1, 2010	133,912,594	118,486,868	15,425,726
July 1, 2012	150,068,846	127,719,008	22,349,838

In addition to replacing the NPO with NPL, the Annual Required Contribution (ARC) will also be eliminated. Even though the ARC will be eliminated, we will work with you to develop a contribution policy. The new term for this is called the Actuarially Determined Contribution (ADC). One possible ADC is to use the same concepts that were used to develop the ARC which would mean no change in the present funding policy.

Under the prior standards the ARC served as both the contribution policy and the accounting expense. As noted above the ARC is eliminated and replaced with the ADC with regard to the funding policy. The new pension expense will be quite different from the ARC and it has several components (including normal cost, interest cost, amortization components, actual return and plan changes). The new pension expense will help reconcile the change in the Net Pension Liability each year. In addition, it will be more volatile than the ARC and so not suitable for use as a contribution policy.

If the City wants to see how the pension expense works, please let us know and we will prepare a sample exhibit. Like the Net Pension Liability, the calculation of the pension expense is based upon the Entry Age Normal Cost Method and will no longer be a footnote but reported directly in the annual financial report.

Certification

This report presents the results of the July 1, 2012 Actuarial Valuation for the City of Meriden Employees' Retirement System (the Plan) for the purpose of estimating the funded status of the Plan and determining the Annual Required Contribution (ARC) for the fiscal years ending June 30, 2014 and June 30, 2015. This report is intended to satisfy the requirements of Connecticut General Statute 7-450a. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Plan Sponsor. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Actuarial Basis* section of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.



Timothy A. Ryor, FSPA, FCA, MAAA, Enrolled Actuary
11-05126

April 5, 2013

Valuation Results

A. Actuarial Balance Sheet and Funded Ratio

	July 1, 2012	July 1, 2010
Actuarial Liabilities		
Accrued Liability for:		
Active Employees	\$81,922,578	\$70,957,304
Retirees and Beneficiaries	66,474,131	61,094,850
Terminated Vested Employees	<u>1,672,137</u>	<u>1,860,440</u>
Total	150,068,846	133,912,594
Source of Funds		
Plan Assets	\$147,647,445	\$140,652,162
Unfunded Accrued Liability	<u>2,421,401</u>	<u>(6,739,568)</u>
Total	\$150,068,846	\$133,912,594
Funded Ratio		
Plan Assets divided by Actuarial Accrued Liability	98%	105%

Valuation Results

(continued)

B. Determination of Actuarial Gain (Loss)

The Actuarial Gain (Loss) for a year is the difference between the Expected Unfunded Actuarial Accrued Liability and the Actual Unfunded Actuarial Accrued Liability, without regard to any plan changes or changes in methods or actuarial assumptions. Such a gain (loss) is also referred to as an Experience Gain (Loss), since it reflects the difference between what was expected and what was actually experienced.

Actuarial Gain (Loss)	
1. Expected unfunded actuarial accrued liability July 1, 2012	
a. Expected unfunded actuarial accrued liability July 1, 2011	
i. Unfunded actuarial accrued liability July 1, 2010	\$(6,739,568)
ii. Employer Normal Cost July 1, 2010	2,566,670
iii. Employer Contributions for 2010/2011	489,450
iv. Interest at 8.00% to July 1, 2011 on (i), (ii) and (iii)	(353,033)
v. Expected unfunded actuarial accrued liability July 1, 2011: (i) + (ii) - (iii) + (iv)	(5,015,381)
b. Expected unfunded actuarial accrued liability July 1, 2011	
i. Unfunded actuarial accrued liability July 1, 2011	(5,015,381)
ii. Estimated Employer Normal Cost July 1, 2011	2,566,670
iii. Employer Contributions for 2011/2012	1,906,102
iv. Interest at 8.00% to July 1, 2012 on (i), (ii) and (iii)	(270,674)
v. Expected unfunded actuarial accrued liability July 1, 2012: (i) + (ii) - (iii) + (iv)	(4,625,487)
2. Actual unfunded actuarial accrued liability July 1, 2012 for gain (loss) determination	2,450,939
3. Actuarial gain (loss): (1b)(v) - (2)	(7,076,426)
4. Sources of gain (loss)	
a. Net gain/(loss) from investments	(7,094,394)
b. Net gain/(loss) from liabilities	<u>17,968</u>
c. Total net gain/(loss): (a) + (b)	(7,076,426)

Valuation Results

(continued)

C. Valuation Results - July 1, 2012 and Employer Contribution for Fiscal 2014 and 2015

Based on the employee data and asset information furnished us, the actuarial methods and assumptions and the plan provisions, the results of the July 1, 2012 valuation are:

	City Plan			
	City	Fire	Police	Total
1. a. Total normal cost	3,123,052	327,107	685,803	4,135,962
b. Employee contributions	1,230,671	114,059	204,668	1,549,398
c. Town normal cost	1,892,381	213,048	481,135	2,586,564
2. Accrued liability				
a. Active	77,603,114	1,353,031	2,966,433	81,922,578
b. Vested	1,669,363	-	2,774	1,672,137
c. Retirees, Beneficiaries, Disabled	66,035,503	-	438,628	66,474,131
d. Total accrued liability	145,307,980	1,353,031	3,407,835	150,068,846
3. Market value of assets	123,667,180	1,151,523	2,900,304	127,719,008
4. Actuarial value of assets	142,963,397	1,331,199	3,352,849	147,647,445
5. Unfunded accrued liability: (2d) - (4)	2,344,583	21,832	54,986	2,421,401
6. Payment on unfunded accrued liability				
a. Interest rate	8.00%	8.00%	8.00%	8.00%
b. Amortization years	25	25	25	25
c. Payment	203,368	1,894	4,769	210,031
7. Estimated administrative expenses	29,048	270	681	30,000
8. Annual town cost, adjusted for timing	2,209,789	223,820	506,048	2,939,657
9. Payroll	30,766,762	2,851,471	5,116,695	38,734,928
a. Cost as a percentage of payroll	7.18%	7.85%	9.89%	7.59%
10. Budget for Fiscal Year ending June 30, 2014				
a. Normal cost	1,311,707	219,439	442,867	1,974,013
b. Amortization	203,368	1,894	4,769	210,031
c. Expenses	29,048	270	682	30,000
d. Total, adjusted for timing	1,605,888	230,467	466,251	2,302,606
11. Budget for Fiscal Year ending June 30, 2015				
a. Total, adjusted for timing	1,646,814	237,314	423,614	2,307,742

Valuation Results
(continued)

D. Assets

Development of Asset Market Values

Summary of Fund Activity		
	July 1, 2010 - June 30, 2011	July 1, 2011 - June 30, 2012
1. Beginning value	\$ 118,486,868	\$ 136,265,759
2. Contributions		
a. City contributions during year	489,450	1,906,102
b. Employee contributions during year	1,443,589	1,698,807
c. Total for plan year	<u>1,933,039</u>	<u>3,604,909</u>
3. Disbursements		
a. Benefit payments during year	6,788,609	7,099,625
b. Administrative expenses during year	26,305	26,954
c. Transfers to OPEB	0	0
d. Other	144,634	254,895
e. Total for plan year	<u>6,959,548</u>	<u>7,381,474</u>
4. Net investment return		
a. Interest and dividends	3,662,154	3,246,112
b. Realized and unrealized gain (loss)	19,883,007	(7,282,488)
c. Investment-related expenses	<u>(739,761)</u>	<u>(733,810)</u>
d. Total	22,805,400	(4,770,186)
5. Ending value	136,265,759	127,719,008
6. Approximate rate of return	19.7%	-3.5%

Valuation Results
(continued)

D. Assets

The Actuarial Value of assets is used in the determination of plan contributions. It phases in differences between the Market Value and the Expected Actuarial Value by recognizing 20% of the difference each year. A method of smoothing is used because the Market Value can swing widely from one year to the next, resulting in undesirable fluctuations in pension contributions.

Determination of the Actuarial Value of Assets	
1. Actuarial value of assets at July 1, 2010	\$ 140,652,162
2. Employer and employee contributions for 2011	1,933,039
3. Disbursements during 2011	(6,814,914)
4. Expected return during 2011	<u>11,056,898</u>
5. Expected actuarial asset value at July 1, 2011	146,827,185
6. Market value July 1, 2011	136,265,759
7. Appreciation (depreciation) recognized 20% x [(6) - (5)]	(2,112,285)
8. Actuarial asset value at July 1, 2011 (5) + (7)	144,714,899
9. Contributions for 2012	3,604,909
10. Disbursements during 2012	(7,126,579)
11. Expected return during 2012	<u>11,436,325</u>
12. Expected actuarial asset value at July 1, 2012	152,629,555
13. Market value July 1, 2012	127,719,008
14. Appreciation (depreciation) recognized 20% x [(13) - (12)]	(4,982,109)
15. Actuarial asset value at July 1, 2012	147,647,445
16. Actuarial value as a percent of market value	115.6%
2010-2011 Year return on Actuarial Value of Assets	6.5%
2011-2012 Year return on Actuarial Value of Assets	4.5%

Valuation Results
(continued)

E. Membership Data

Employee Participation: July 1, 2010 - July 1, 2012

Participant Data					
	Active	Terminated Vested		Retired and Beneficiaries	Total
		With Monthly Benefit	Contributions Only		
Total Participants July 1, 2010	648*	43	58	431	1,180
Adjustments	0	0	0	3	3
Retirements	-25	-12	N/A	37	0
Terminations					
With vested benefit	-2	2	N/A	0	0
Vested in contributions only	-8	N/A	8	0	0
Lump sum settlements	-15	0	-4	0	-19
Deaths					
Without beneficiary	-3	0	N/A	-29	-32
With beneficiary	0	0	N/A	-4	-4
New beneficiaries	0	0	N/A	4	4
Rehires	2	0	-2	0	0
New entrants	<u>44</u>	<u>N/A</u>	<u>5</u>	<u>0</u>	<u>49</u>
Total Participants July 1, 2012	641*	33	65	442	1,181
Average age					
July 1, 2010	48.7				
July 1, 2012	49.4				
Average service					
July 1, 2010	12.9				
July 1, 2012	14.0				
Total annual plan salaries					
July 1, 2010	\$34,128,961				
July 1, 2012	38,734,928				
Total monthly benefits					
July 1, 2010		\$27,001		\$544,611	
July 1, 2012		23,264		599,614	

* As of July 1, 2010: 573 City, 26 Fire, 49 Police
As of July 1, 2012: 552 City, 34 Fire, 55 Police

Actuarial Basis

A. Actuarial Cost Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in differences between the Market Value and the Expected Actuarial Value by recognizing 20% of the difference each year.

Actuarial Funding Method

The actuarial valuation method used in the cost calculations is the Entry Age Normal Actuarial Cost Method. Recommended annual contributions until the actuarial accrued liability is completely funded will consist of two pieces:

- a. Normal Cost - The actuarial cost to fund benefit units earned during the year.
- b. Amortization Payments of Unfunded Actuarial Accrued Liability - The actuarial cost to amortize the unfunded portion of the actuarial liability.

The amortization period decreased to 25 years effective with this July 1, 2012 valuation.

Prior Valuation: The amortization period for the July 1, 2010 valuation was 10 years.

Process

The valuation is performed as of the first day of a plan year. The valuation is used to determine the City contributions for the following two fiscal years. To accomplish this objective, we apply the City's Normal Cost Accrual Rate from the valuation year, to the estimated payroll for the target year to determine the Normal Cost for that year. We assume the dollar amount of the amortization payments on the unfunded liability will remain unchanged between the two years.

Actuarial Basis

(continued)

B. Actuarial Assumptions

The actuarial assumptions used in the determination of costs and liabilities are as follows:

Interest: 8% compounded annually, net of investment expenses.

Salary Scale: City: It is assumed that salaries will increase by 3% per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond.

Firefighters and Police: It is assumed that salaries will increase by 3% per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond.

Prior Valuation: It is assumed that salaries will increase by 5% per annum (compounded).

Mortality:

Retirement:

City: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with Scale AA.

Fire and Police: RP-2000 Mortality Table with separate male and female rates, with blue collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with Scale AA.

Disability:

RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants.

Mortality Improvement:

Retirement:

Projected to date of decrement using Scale AA (generational mortality).

Disability:

None.

Actuarial Basis
(continued)

B. Actuarial Assumptions (continued)

Termination prior to retirement:

City

Sample rates are as follows:

<u>Age</u>	<u>Disability*</u>	<u>Withdrawal</u>
20	0.03%	5.44%
25	0.03	5.29
30	0.03	5.07
35	0.03	4.07
40	0.05	4.19
45	0.09	3.54
50	0.20	2.48
55	0.43	0.00
60	0.87	0.00

**25% of disabilities are considered service connected*

Fire

Sample rates are as follows:

<u>Age</u>	<u>Disability*</u>	<u>Withdrawal</u>
20	0.06%	0.00%
25	0.09	0.00
30	0.11	0.00
35	0.15	0.00
40	0.22	0.00
45	0.36	0.00
50	0.61	0.00
55	1.01	0.00
60	1.63	0.00

**100% of deaths prior to retirement and 100% of disabilities are considered service connected*

Actuarial Basis
(continued)

B. Actuarial Assumptions (continued)

Police

Sample rates are as follows:

<u>Age</u>	<u>Disability*</u>	<u>Withdrawal</u>
20	0.12%	0.00%
25	0.17	0.00
30	0.22	0.00
35	0.29	0.00
40	0.44	0.00
45	0.72	0.00
50	1.21	0.00
55	2.02	0.00
60	3.25	0.00

**100% of deaths prior to retirement and 100% of disabilities are considered service connected*

Retirement Rates:

City

Age and service based table developed from experience from prior years.

Sample rates are as follows:

Age	Years of Service				
	10	15	20	25	30+
50	6.25%	6.25%	6.25%	6.25%	12.50%
55	6.25%	6.25%	6.25%	6.25%	12.50%
60	15.00%	15.00%	15.00%	15.00%	30.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%
75	100.00%	100.00%	100.00%	100.00%	100.00%

Actuarial Basis
(continued)

B. Actuarial Assumptions (continued)

Fire

Sample rates are as follows:

<u>Age</u>	<u>Retirement</u>
50	23%
51	5
52	5
53	8
54	3
55	10
56	8
57	3
58	10
59	3
60	5
61	5
62	2
63	3
64	2
65	100

Police

Sample rates are as follows:

<u>Age</u>	<u>Retirement</u>
50	30%
51	5
52	5
53	11
54	2
55	14
56	11
57	5
58	2
59	2
60	2
61	3
62	3
63	3
64	2
65	100

Actuarial Basis
(continued)

B. Actuarial Assumptions (continued)

Percent Married: 75% of male participants and 65% of female participants.

Age of Spouse: Males are assumed to be three years older than their spouses.

Administrative Expense: We have included estimated administrative expenses in the development of the normal cost.

Summary of Plan Provisions

This summary outlines the major features of the Plan. It does not give full details or cover all aspects of the Plan. The actual terms and conditions of the Plan are stated in documents with the City.

Effective date	Originally effective July, 1972. Amended March 18, 2003 and May 1, 2003, respectively, to include police officers and firefighters hired after those dates. Amended and restated as of July 1, 2006.
Eligibility for Participation	Regular full-time employees (other than Members of the State Teachers' Retirement System), including elected and appointed officials, are eligible at hire. City Employees hired on or after July 1, 2011 are not eligible. Police Officers hired after July 1, 2012 are not eligible. Prior Valuation: Regular full-time employees (other than Members of the State Teachers' Retirement System), including elected and appointed officials, are eligible at hire.
Years of Service	Year and months (rounded) of employment during which employee has made required contributions.
Pay	Salary or wages including elective deferrals under 401(k) or Sec. 125, limited by IRC 401(a)(17).
Average Annual Pay	Average of three highest paid calendar years out of the last ten years.
Accrued Benefit	Firefighters and BOE: 2% of Average Final Pay times Years of Service with a maximum of 30 years. Police and non-BOE City: 2% of Average Final Pay times Years of Service for the first 20 years, plus 2.5% of Average Final Pay times Years of Service for years 21 through 32. Prior Valuation: All: 2% of Average Final Pay times Years of Service with a maximum of 30 years.

Summary of Plan Provisions (continued)

Normal Retirement

Age & Service Requirements

City: Earlier of

- Later of 10 Years of Service and age 65
- Any combination of Years of Service and age equaling 80, with a minimum of 10 Years of Service

Police Officers: Earlier of

- Completion of 25 Years of Service
- Any combination of Years of Service and age equaling 80, with a minimum of 10 Years of Service
- Age 65

Firefighters: Earlier of

- Completion of 25 Years of Service
- Age 65

Benefit

Accrued Benefit

Early Retirement

Eligibility

City and Police: completion of 10 Years of Service and age 55

Firefighters: None

Benefit

Accrued Benefit reduced by the following percentages:

- City: 6.67% per year for each year between 65 and 60, plus 3.33% for each year between 60 and 55.
- Police: 5% per year for years between early retirement date and date Member would have completed 25 Years of Service.

Summary of Plan Provisions (continued)

Termination

Prior to completion of
10 Years of Service

Return of employee contributions plus regular interest.

After completion of
10 Years of Service

Member may elect to receive either

- Return of employee contributions plus regular interest, or
- Accrued Benefit.

Disability

Eligibility

None if service-related; otherwise completion of 10 Years of Service

Benefit

City and Firefighters:

- Service-related: greater of Accrued Benefit, or 50% of annual rate of Pay at time of disability.
- Non-Service related: Accrued Benefit.

Police:

- Service-related: if disabled from employment as police officer: 50% of annual rate of Pay at time of disability.
- Service-related: if disabled from any gainful employment: Accrued Benefit as if Officer had no less than 25 Years of Service.
- Non-Service related: Accrued Benefit as if Officer had no less than 20 Years of Service.

Summary of Plan Provisions (continued)

Death Prior to Retirement

Prior to completion of
10 Years of Service

Return of employee contributions plus regular interest.

City Employees after eligibility
for Early or Normal Retirement

Surviving spouse may elect to receive either

- Return of employee contributions plus regular interest, or
- 50% of benefit Member would have received if retired day before death and elected 50% Joint and Survivor option.

Police Officer and Firefighter
Service-related death

Surviving spouse receives 100% of Accrued Benefit as if Officer had at least 25 Years of Service. Upon attainment of date Officer or Firefighter would have attained 25 Years, spouse's benefit decreases to 50% of the pension amount. Payable until death or remarriage.

Death After Retirement and
after age 65

Firefighters and BOE: \$1,000 lump sum payable to beneficiary in addition to any other benefits under plan.

Police and non-BOE City: \$5,000 lump sum payable to beneficiary in addition to any other benefits under plan.

Prior Valuation: All: \$1,000 lump sum payable to beneficiary in addition to any other benefits under plan.

Normal Form of Retirement Benefit

Single life annuity.

Optional Forms of Benefits

Actuarial equivalent of Normal Form paid as

- Ten year certain and continuous annuity
- Joint and Survivor annuity with 100%, 66-2/3% or 50% of pension continued to designated beneficiary

Summary of Plan Provisions

(continued)

Employee Contributions

Firefighters: 6% of Pay. (In addition, 2% of Pay is contributed to the Retiree Health Insurance Fund.)

BOE: 4% of Pay. (In addition, 3.5% of Pay is contributed to the Retiree Health Insurance Fund, and 4% of Pay will be contributed in fiscal year 2014.)

Non-BOE City: Currently 6.5% of Pay, and 7% of Pay for fiscal year 2014. (In addition, 2.5% of Pay is contributed to the Retiree Health Insurance Fund, and 3% of Pay will be contributed for fiscal year ending 2014.)

Police: Currently 4% of Pay, and 5% of Pay for fiscal year ending 2014. (In addition, 2% of Pay is contributed to the Retiree Health Insurance Fund.)

Prior Valuation: All: 4% of Pay. (In addition, 2% of Pay is contributed to the Retiree Health Insurance Fund.)

COLA

Retirement prior to July 1, 1989: None.

Retirement after July 1, 1989 and prior to July 1, 2000: 3% every other year, beginning after the later of 3 years from retirement date or age 65.

Retirement after July 1, 2000: 2% every year, beginning after the later of 2 years from retirement date or age 62. For Police and Firefighters with 25 Years of Service, beginning 1 year from retirement.

Lifetime cap of 50% of original pension.

Retirement windows

Retirement windows were offered in 1999 and 2007.

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