



September 27, 2017

Ms. Mayte D. Gamiotea
Pension Administrator
Retirement Plan for Employees of the
Town of Surfside
9293 Harding Avenue
Surfside, Florida 33154

Re: Retirement Plan for Employees of the Town of Surfside

Dear Mayte:

As requested, we are pleased to enclose twenty (20) copies of the October 1, 2016 Chapter 112.664 Compliance Report for the Retirement Plan for Employees of the Town of Surfside (Plan).

As required, we will timely upload the required data to the State's online portal prior to the filing deadline.

Please note we understand the following items must be posted on the Plan's website and must be posted on any website containing budget information relating to the Town or actuarial or performance information relating to the Plan:

- this compliance report
- the most recent financial statement
- the most recent actuarial valuation report
- a link to the Division of Retirement Actuarial Summary Fact Sheet
http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets
- for the previous five years - a side-by-side comparison of the Plan's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Plan's portfolio
- the Plan's funded ratio as determined in the most recent actuarial valuation – 85.9% on a market value of assets basis as of October 1, 2016.

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,

A handwritten signature in black ink that reads "L. F. Wilson".

Lawrence F. Wilson, A.S.A.
Senior Consultant and Actuary

Enclosures

Retirement Plan for Employees of the Town of Surfside

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2016 Funding Actuarial Valuation Report and the Plan's Financial Reporting for the Year Ended September 30, 2016





September 27, 2017

Pension Board
Retirement Plan for Employees
of the Town of Surfside
c/o Ms. Mayte Gamiotea
9293 Harding Avenue
Surfside, Florida 33154

Re: October 1, 2016 Chapter 112.664 Compliance Report

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the Retirement Plan for Employees of the Town of Surfside (Plan) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: 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. The scope of this engagement does not include an analysis of the potential range of such measurements.

This report was based upon information furnished by the Town and the Board concerning Plan benefits, Plan provisions and Plan members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the Town and Board as of September 30, 2016. We reviewed the information provided for internal and year-to-year consistency, but did not audit the data. The Plan is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The Board's assumptions are based on the results of an actuarial Experience Study for the five-year period ended September 30, 2014. The assumptions represent an estimate of future Plan experience. The mortality assumptions are prescribed by statute.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future Plan experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid Plan assets will be sufficient to pay all Plan benefits, future contributions are expected to remain relatively stable as a percentage of payroll and the funded status of the Plan is expected to improve. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 30 years.

The Plan's funded ratio as of October 1, 2016 is 85.9% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

The Plan's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.


The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the Plan sponsor.


This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and presents the actuarial position of the Plan as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By 
Lawrence F. Wilson, M.A.A.A
Enrolled Actuary No. 17-02802
Senior Consultant & Actuary

By 
Jennifer M. Borregard, M.A.A.A
Enrolled Actuary No. 17-07624
Consultant & Actuary

Date: September 27, 2017

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SECTION A

CHAPTER 112.664, F.S. RESULTS

Net Pension Liability

Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

Measurement Date	<u>September 30, 2016</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 932,365
Interest	1,458,652
Benefit Changes	0
Difference Between Actual and Expected Experience	(35,527)
Assumption Changes	402,655
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Other	0
Net Change in Total Pension Liability	<u>\$ 2,155,453</u>
Total Pension Liability (TPL) - (beginning of year)	<u>19,012,209</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 21,167,662</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 757,304
Contributions - Member	383,619
Net Investment Income	1,850,417
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Administrative Expenses	(130,686)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 2,257,962</u>
Plan Fiduciary Net Position - (beginning of year)	<u>16,493,489</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 18,751,451</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 2,416,211
Valuation Date	October 1, 2015

Certain Key Assumptions

Investment Return Assumption 7.25%

Mortality Table:

For healthy male participants, RP 2000 Annuitant Male Mortality Table, with 10% White Collar / 90% Blue Collar Adjustment for Police Officers - 50% White Collar / 50% Blue Collar Adjustment for General Employees and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male Police Officers, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female Police Officers, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements. For disabled male General Employees, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female General Employees, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(a), F.S.

Measurement Date	<u>September 30, 2016</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 979,617
Interest	1,469,842
Benefit Changes	0
Difference Between Actual and Expected Experience	(92,517)
Assumption Changes	45,925
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Other	0
Net Change in Total Pension Liability	<u>\$ 1,800,175</u>
Total Pension Liability (TPL) - (beginning of year)	<u>19,533,021</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 21,333,196</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 757,304
Contributions - Member	383,619
Net Investment Income	1,850,417
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Administrative Expenses	(130,686)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 2,257,962</u>
Plan Fiduciary Net Position - (beginning of year)	<u>16,493,489</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 18,751,451</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 2,581,745
Valuation Date	October 1, 2015

Certain Key Assumptions

Investment Return Assumption 7.25%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	<u>September 30, 2016</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,507,921
Interest	1,431,467
Benefit Changes	0
Difference Between Actual and Expected Experience	(80,116)
Assumption Changes	234,098
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Other	0
Net Change in Total Pension Liability	\$ 2,490,678
Total Pension Liability (TPL) - (beginning of year)	<u>25,680,154</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 28,170,832</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 757,304
Contributions - Member	383,619
Net Investment Income	1,850,417
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Administrative Expenses	(130,686)
Other	0
Net Change in Plan Fiduciary Net Position	\$ 2,257,962
Plan Fiduciary Net Position - (beginning of year)	<u>16,493,489</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 18,751,451</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 9,419,381
Valuation Date	October 1, 2015

Certain Key Assumptions

Investment Return Assumption 5.25%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	<u>September 30, 2016</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 669,488
Interest	1,447,874
Benefit Changes	0
Difference Between Actual and Expected Experience	(102,892)
Assumption Changes	(45,023)
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Other	0
Net Change in Total Pension Liability	\$ 1,366,755
Total Pension Liability (TPL) - (beginning of year)	15,389,509
Total Pension Liability (TPL) - (end of year)	<u>\$ 16,756,264</u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - Town	\$ 757,304
Contributions - Member	383,619
Net Investment Income	1,850,417
Benefit Payments	(584,720)
Contribution Refunds	(17,972)
Administrative Expenses	(130,686)
Other	0
Net Change in Plan Fiduciary Net Position	\$ 2,257,962
Plan Fiduciary Net Position - (beginning of year)	16,493,489
Plan Fiduciary Net Position - (end of year)	<u>\$ 18,751,451</u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (1,995,187)
Valuation Date	October 1, 2015

Certain Key Assumptions

Investment Return Assumption 9.25%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	\$ 18,503,623	\$ 1,314,234	\$ 702,136	\$ 19,115,721
2018	19,115,721	1,355,075	793,163	19,677,633
2019	19,677,633	1,392,688	873,617	20,196,704
2020	20,196,704	1,428,815	912,351	20,713,168
2021	20,713,168	1,464,770	950,677	21,227,261
2022	21,227,261	1,500,006	1,003,079	21,724,188
2023	21,724,188	1,534,531	1,041,732	22,216,987
2024	22,216,987	1,569,035	1,073,254	22,712,768
2025	22,712,768	1,603,107	1,121,420	23,194,455
2026	23,194,455	1,634,930	1,201,207	23,628,178
2027	23,628,178	1,662,942	1,289,558	24,001,562
2028	24,001,562	1,686,437	1,381,590	24,306,409
2029	24,306,409	1,704,612	1,482,661	24,528,360
2030	24,528,360	1,716,408	1,593,229	24,651,539
2031	24,651,539	1,723,161	1,649,267	24,725,433
2032	24,725,433	1,727,295	1,680,754	24,771,974
2033	24,771,974	1,730,018	1,697,523	24,804,469
2034	24,804,469	1,732,173	1,702,696	24,833,946
2035	24,833,946	1,734,348	1,701,703	24,866,591
2036	24,866,591	1,736,865	1,697,838	24,905,618
2037	24,905,618	1,739,828	1,694,397	24,951,049
2038	24,951,049	1,743,193	1,692,566	25,001,676
2039	25,001,676	1,746,971	1,689,794	25,058,853
2040	25,058,853	1,751,750	1,673,506	25,137,097
2041	25,137,097	1,757,191	1,679,459	25,214,829
2042	25,214,829	1,763,577	1,660,155	25,318,251
2043	25,318,251	1,771,966	1,637,220	25,452,997
2044	25,452,997	1,781,839	1,634,545	25,600,291
2045	25,600,291	1,793,361	1,612,829	25,780,823
2046	25,780,823	1,807,762	1,579,064	26,009,521

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the Town, Members or State: 99.99

Certain Key Assumptions

Investment return assumption 7.25%

Mortality Table:

General Employees: For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements. Police Officers: For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the Town or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include Town and Member contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	\$ 18,503,623	\$ 951,629	\$ 702,136	\$ 18,753,116
2018	18,753,116	962,159	793,163	18,922,112
2019	18,922,112	968,762	873,617	19,017,257
2020	19,017,257	972,664	912,351	19,077,570
2021	19,077,570	974,749	950,677	19,101,642
2022	19,101,642	974,534	1,003,079	19,073,097
2023	19,073,097	971,945	1,041,732	19,003,310
2024	19,003,310	967,392	1,073,254	18,897,448
2025	18,897,448	960,475	1,121,420	18,736,503
2026	18,736,503	949,774	1,201,207	18,485,070
2027	18,485,070	934,081	1,289,558	18,129,593
2028	18,129,593	912,822	1,381,590	17,660,825
2029	17,660,825	885,360	1,482,661	17,063,524
2030	17,063,524	850,882	1,593,229	16,321,177
2031	16,321,177	810,327	1,649,267	15,482,237
2032	15,482,237	765,395	1,680,754	14,566,878
2033	14,566,878	716,865	1,697,523	13,586,220
2034	13,586,220	665,235	1,702,696	12,548,759
2035	12,548,759	610,796	1,701,703	11,457,852
2036	11,457,852	553,632	1,697,838	10,313,646
2037	10,313,646	493,659	1,694,397	9,112,908
2038	9,112,908	430,672	1,692,566	7,851,014
2039	7,851,014	364,500	1,689,794	6,525,720
2040	6,525,720	295,382	1,673,506	5,147,596
2041	5,147,596	222,863	1,679,459	3,691,000
2042	3,691,000	146,936	1,660,155	2,177,781
2043	2,177,781	68,139	1,637,220	608,700
2044	608,700	4,626	1,634,545	-
2045	-	-	1,612,829	-
2046	-	-	1,579,064	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the Town, Members or State: 27.33

Certain Key Assumptions

Investment return assumption 5.25%

Mortality Table:

General Employees: For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements. Police Officers: For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the Town or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include Town and Member contributions, the Plan is expected to be able to pay all future benefit payments.

**Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions**

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2017	\$ 18,503,623	\$ 1,676,881	\$ 702,136	\$ 19,478,368
2018	19,478,368	1,762,545	793,163	20,447,750
2019	20,447,750	1,848,237	873,617	21,422,370
2020	21,422,370	1,936,474	912,351	22,446,493
2021	22,446,493	2,029,311	950,677	23,525,127
2022	23,525,127	2,126,495	1,003,079	24,648,543
2023	24,648,543	2,228,500	1,041,732	25,835,311
2024	25,835,311	2,336,718	1,073,254	27,098,775
2025	27,098,775	2,451,208	1,121,420	28,428,563
2026	28,428,563	2,570,270	1,201,207	29,797,626
2027	29,797,626	2,692,541	1,289,558	31,200,609
2028	31,200,609	2,817,768	1,381,590	32,636,787
2029	32,636,787	2,945,619	1,482,661	34,099,745
2030	34,099,745	3,075,478	1,593,229	35,581,994
2031	35,581,994	3,209,816	1,649,267	37,142,543
2032	37,142,543	3,352,611	1,680,754	38,814,400
2033	38,814,400	3,506,428	1,697,523	40,623,305
2034	40,623,305	3,673,496	1,702,696	42,594,105
2035	42,594,105	3,855,845	1,701,703	44,748,247
2036	44,748,247	4,055,294	1,697,838	47,105,703
2037	47,105,703	4,273,528	1,694,397	49,684,834
2038	49,684,834	4,512,189	1,692,566	52,504,457
2039	52,504,457	4,773,141	1,689,794	55,587,804
2040	55,587,804	5,059,155	1,673,506	58,973,453
2041	58,973,453	5,372,034	1,679,459	62,666,028
2042	62,666,028	5,714,551	1,660,155	66,720,424
2043	66,720,424	6,090,716	1,637,220	71,173,920
2044	71,173,920	6,502,797	1,634,545	76,042,172
2045	76,042,172	6,954,184	1,612,829	81,383,527
2046	81,383,527	7,449,928	1,579,064	87,254,391

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no future contributions from the Town, Members or State: 99.99

Certain Key Assumptions

Investment return assumption 9.25%

Mortality Table:

General Employees: For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements. Police Officers: For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the Town or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include Town and Member contributions, the Plan is expected to be able to pay all future benefit payments.

ACTUARIALY DETERMINED CONTRIBUTION											
	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions			112.664(1)(b), F.S. Assumptions			112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption				
A. Valuation Date	October 1, 2016			October 1, 2016			October 1, 2016				
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2018			September 30, 2018			September 30, 2018				
C. Annual Payroll of Active Employees	\$	5,897,832		\$	5,897,832		\$	5,897,832			
D. Total Minimum Funding Requirement											
1. Total Normal Cost	\$	1,182,700		\$	1,752,844		\$	852,178			
2. Annual Payment to Amortize Unfunded Actuarial Liability		190,053			617,280			(210,166)			
3. Interest Adjustment		15,933			11,757			19,957			
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1.)	\$	1,388,686		\$	2,381,881		\$	852,178			
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$	5,897,832	100.00%	\$	5,897,832	100.00%	\$	5,897,832	100.00%		
F. Expected Contribution Sources (\$ / % of pay)											
1. Town	\$	917,274	15.55%	\$	1,910,469	32.39%	\$	380,766	6.46%		
2. Member		471,412	7.99%		471,412	7.99%		471,412	7.99%		
3. State		0	0.00%		0	0.00%		0	0.00%		
4. Total	\$	1,388,686	23.55%	\$	2,381,881	40.39%	\$	852,178	14.45%		

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

<u>Amortization Base</u>	Current Unfunded <u>Liabilities</u>	Amortization Payment			Remaining Funding <u>Period</u>
		Valuation and 112.664(1)(a), F.S. <u>Assumptions</u>	112.664(1)(b), F.S. <u>Assumptions</u>	112.664(1)(a), F.S. <u>Assumptions Plus 2%</u>	
10/01/2009 Combined Bases * - General Employees	\$ 1,886	\$ 183	\$ 162	\$ 205	17 years
10/01/2010 Actuarial (Gain) / Loss - General Employees	213,739	17,759	15,077	20,556	24 years
10/01/2010 Assumption Changes - General Employees	(114,830)	(9,541)	(8,100)	(11,044)	24 years
10/01/2011 Actuarial (Gain) / Loss - General Employees	77,867	6,371	5,382	7,404	25 years
10/01/2011 Combined Charge Bases * - Police Officers	6,238,578	559,784	485,763	636,734	20 years
10/01/2011 Combined Credit Bases * - Police Officers	(5,412,798)	(525,916)	(464,719)	(589,251)	17 years
10/01/2012 Actuarial (Gain) / Loss - General Employees	151,031	12,184	10,241	14,212	26 years
10/01/2012 Actuarial (Gain) / Loss - Police Officers	567,357	45,770	38,471	53,389	26 years
10/01/2012 Assumption Changes - General Employees	114,112	9,206	7,738	10,738	26 years
10/01/2012 Assumption Changes - Police Officers	42,858	3,457	2,906	4,033	26 years
10/01/2013 Actuarial (Gain) / Loss - General Employees	80	6	5	7	27 years
10/01/2013 Actuarial (Gain) / Loss - Police Officers	(33,044)	(2,631)	(2,201)	(3,080)	27 years
10/01/2013 Plan Amendment - Police Officers	39,308	3,130	2,618	3,664	27 years
10/01/2014 Actuarial (Gain) / Loss - General Employees	82,486	6,490	5,404	7,624	28 years
10/01/2014 Actuarial (Gain) / Loss - Police Officers	(160,948)	(12,664)	(10,545)	(14,877)	28 years
10/01/2015 Actuarial (Gain) / Loss - General Employees	144,972	11,282	9,352	13,297	29 years
10/01/2015 Actuarial (Gain) / Loss - Police Officers	(162,726)	(12,664)	(10,497)	(14,925)	29 years
10/01/2015 Assumption Changes - General Employees	134,581	10,473	8,682	12,344	29 years
10/01/2015 Assumption Changes - Police Officers	281,294	21,891	18,146	25,800	29 years
10/01/2015 Plan Amendment - General Employees	282,066	21,951	18,196	25,871	29 years
10/01/2016 Actuarial (Gain) / Loss - General Employees	292,672	22,546	18,608	26,656	30 years
10/01/2016 Actuarial (Gain) / Loss - Police Officers	(80,513)	(6,202)	(5,119)	(7,333)	30 years
10/01/2016 Assumption Changes - General Employees	35,516	2,736	2,258	3,235	30 years
10/01/2016 Assumption Changes - Police Officers	57,796	4,452	3,675	5,264	30 years
10/01/2016 Assumption Change - 112.664(1)(b), F.S. Assumptions	7,325,953	N/A	465,777	N/A	30 years
10/01/2016 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(4,838,653)	N/A	N/A	(440,689)	30 years

* Combined per Internal Revenue Code Regulation 1.412(b)-1

SECTION B

SUMMARY OF PLAN PROVISIONS

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2016)

A. Effective Date:

January 1, 1962. Most recent amendatory Ordinance considered: 16-1652.

B. Eligibility Requirements:

All regular, full-time employees are eligible upon employment. The Town Manager and Town Attorney have the right to opt out of the Plan at any time.

C. Creditable Service:

All service of a member measured in years and completed calendar months since latest date of hire with the Town.

D. Average Final Compensation (AFC):

The average of basic compensation during the highest three years (five years for General Employees) of the ten years preceding termination of employment; does not include bonuses, overtime, lump sum payments of unused leave or other nonregular payments.

E. Normal Retirement:

1. Eligibility:

For sworn Police Officers, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For a participating Town Manager and the Town Attorney, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 64 with 7 years of Creditable Service. For all other employees, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2.0%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2.0%	2.5%
2/1/2003 - 9/30/2005	2.0%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2.0%	2.5%	N/A	3.0% ¹
10/1/2006 - 9/30/2016	2.0%	2.5%	N/A	3.5% ¹
10/1/2016 forward	N/A	N/A	2.65% ²	2.8% ² / 3.0% ³ / 3.5% ¹

Maximum benefit is 90% (75% prior to October 1, 2006) of AFC for Police Officers, 68% (60% prior to October 1, 2016) of AFC for General Employees and 80% (60% prior to October 1, 2016) of AFC for Senior Management Employees.

¹ For Police Officers only.

² For General Employees only.

³ For Senior Management Employees only.

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2016)

3. Form of Payment:

Straight life annuity with guaranteed refund of Accumulated Contributions (with options available).

F. Early Retirement:

1. Eligibility:

The earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age.

2. Benefit:

Same as Normal Retirement Benefit using AFC and Creditable Service as of Early Retirement Date but payable at Normal Retirement Date assuming continued employment. Alternatively, benefits may commence immediately after reduction of 0.5% for each month early.

G. Delayed Retirement:

1. Eligibility:

Retirement after Normal Retirement Date.

2. Benefit:

Calculated in the same manner as Normal Retirement Benefit using AFC and Creditable Service as of delayed retirement date.

H. Disability Retirement:

1. Service Connected:

a) Eligibility:

Total and permanent disability incurred prior to normal retirement date as a direct result of performance of service to the Town and eligible for Social Security disability benefits.

b) Benefit:

75% (if injury) or 45% (if disease) of the rate of pay in effect on date of disability payable for life or until recovery. For General Employees, less Social Security disability benefits; there is an offset for Workers' Compensation to the extent that the disability benefit plus the Workers' Compensation benefit exceed 100% of preretirement salary.

2. Non-Service Connected:

a) Eligibility:

Total and permanent disability not incurred as a direct result of performance of service to the Town.

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2016)

b) Benefit:

Accrued pension benefit.

I. Death Benefit:

1. Pre-Retirement:

Refund of Accumulated Contributions

2. After Normal Retirement Date but before Actual Retirement:

Survivor benefit payable in accordance with optional form of benefit chosen by member.

3. After Retirement:

Refund of any remaining Accumulated Contributions or optional survivor's benefits if elected.

J. Accumulated Contributions:

The sum of all amounts contributed by members including 4% interest on contributions made after January 1, 1979. Effective January 1, 2009, member contributions are *picked-up* by the Town.

K. Termination Benefit:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.
2. The benefit as for normal retirement using AFC and Creditable Service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Creditable Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

3. A participating Town Manager and the Town Attorney 100% vested upon completion of 7 years of Creditable Service.

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2016)

L. Cost of Living Increase

A 1.5% automatic annual cost of living increase is provided for all current and future retirees, disableds, beneficiaries and vested terminated members.

M. Deferred Retirement Option Program (DROP)

1. Eligibility: Attainment of normal retirement date.
2. The maximum period of participation in the DROP is five (5) years.
3. An employee's account in the DROP program shall be credited with interest based upon actual Fund investment return.
4. No payment may be made from DROP until the employee actually separates from service with the Town.

N. Changes Reflected in Actuarial Impact Statement (Included for Informational Purposes)

1. Normal Retirement was:

1. Eligibility:

For sworn Police Officers, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For a participating Town Manager, age 64 with 7 years of Creditable Service. For all other employees, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2%	2.5%
2/1/2003 - 9/30/2005	2%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2%	2.5%	N/A	3% *
After 10/1/2006	2%	2.5%	N/A	3.5% *
Maximum benefit is 90% (75% prior to October 1, 2006) of AFC (60% of AFC for General Employees).				

* For Police Officers only.

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2016)

N. Changes Reflected in Actuarial Impact Statement (Included for Informational Purposes) (cont'd)

2. Termination Benefit was:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.
2. The benefit as for normal retirement using AFC and Creditable Service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Creditable Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

3. Participating Town Manager 100% vested upon completion of 7 years of Creditable Service.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2016)

A. Mortality

General Mortality Assumptions:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Sample Ages (2016)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	30.30	33.37	29.88
60	25.37	28.35	25.21	28.25
62	23.47	26.40	23.37	26.33

Sample Ages (2036)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.47	35.23	32.06
60	27.57	30.20	27.42	30.12
62	25.66	28.23	25.57	28.17

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2016)

A. Mortality (cont'd)

Police Mortality Assumptions:

For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

Sample Ages (2016)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	29.61	32.40	29.10
60	24.73	27.36	24.52	27.21
62	22.86	25.40	22.74	25.29

Sample Ages (2036)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	31.85	34.35	31.35
60	27.00	29.30	26.81	29.17
62	25.12	27.32	25.01	27.23

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2016)

B. Investment Return

7.25%, compounded annually - net of investment expenses includes inflation at 2.50%.

C. Allowances for Expenses or Contingencies

Estimated expenses for upcoming year, not including investment related expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

<u>General Employees</u>	
<u>Age</u>	<u>Withdrawal Rate</u>
Under 25	30.0%
25 - 29	20.0%
30 - 34	15.0%
35 - 39	10.0%
40 - 44	9.0%
45 - 49	8.0%
50 - 54	7.0%
55 - 60	6.0%
60 & over	5.0%

<u>Police Officers</u>	
<u>Service</u>	<u>Withdrawal Rate</u>
0 - 4	12.0%
5 - 6	10.0%
7	5.0%
8	2.0%
9 & over	1.0%

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2016)

E. Salary Increase Factors

Current salary is assumed to increase at a rate based on the tables below - includes assumed wage inflation of 3.0%.

General Employees	
<u>Service</u>	<u>Salary Increase</u>
0 - 4	6.5%
4 - 5	6.0%
6	5.0%
7 - 9	4.5%
10 & over	4.0%

Police Officers	
<u>Service</u>	<u>Salary Increase</u>
0 - 3	8.0%
3	7.0%
4 - 5	6.0%
6	5.0%
7 & over	4.0%

F. Disability Benefits

1. Rates: See Table Below
2. Percent Service Connected: 25% for General, 80% for Police.
3. Assume 50% of Service Connected Disabilities are due to injury and 50% are due to disease.

Age	Annual Rate of Disability	
	General Employees	Police Department
20	0.07%	0.14%
30	0.11%	0.18%
40	0.19%	0.30%
50	0.51%	1.00%
60	1.66%	0.00%

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2016)

G. Smoothed Actuarial Value of Assets

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

H. Assumed Retirement Age

Age	Annual Rate of Retirement*	
	General Employees	Police Officers
40	N/A	3%
41-45	4%	2%
46-47	3%	1%
48-50	2%	1%
51 & over	1%	1%
NRA	40%	50%
Past NRA	50%	50%

100% of members are assumed to retire upon reaching age 70 for General Employees and age 65 for Police Officers.

* For Employees who meet the age and service eligibility requirements for normal or early retirement

I. Marriage Assumption

100% of all members are assumed to be married. Wives are assumed to be three years younger than their husbands.

J. Actuarial Funding Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Actuarial Cost Method. Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his age at hire to his assumed retirement age to fund his estimated benefits, assuming the Plan has always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the smoothed actuarial accrued liability over the actuarial value of assets of the Plan.

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2016)

K. Change From Previous Actuarial Impact Statement

Healthy Mortality was:

For healthy male participants, RP 2000 Annuitant Male Mortality Table, with 10% White Collar / 90% Blue Collar Adjustment for Police Officers - 50% White Collar / 50% Blue Collar Adjustment for General Employees and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

SECTION D

GLOSSARY

GLOSSARY

<i>Actuarial Accrued Liability</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.