



nyhart  
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# Pension Plan of Kent County, Delaware

January 1, 2021  
Actuarial Valuation Report

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# Kent County Levy Court

Actuarial Valuation as of January 1, 2021

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At the request of the plan sponsor, this report summarizes the Pension Plan of Kent County, Delaware as of January 1, 2021. The purpose of this report is to communicate the following results of the valuation:

- Funded Status; and
- Actuarially Determined Contribution.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods were chosen by the Board. The interest rate was selected by the plan sponsor. Evaluation of this assumption was outside the scope of our engagement. In our opinion, all other actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. 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); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report.

To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart

*Kevin Carey*

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Kevin Carey, FSA, EA

*Heath W Merlak*

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Heath W. Merlak, FSA, EA, MAAA

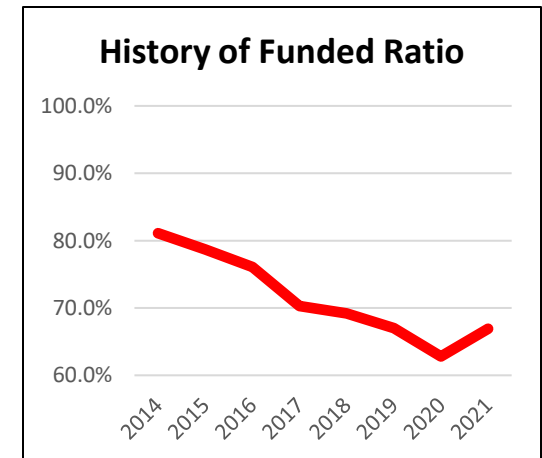
April 8, 2021

Date

**Summary Results**

The actuarial valuation’s primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay method.

<b>Valuation Date</b>	<b>January 1, 2020</b>	<b>January 1, 2021</b>
<b>Funded Status Measures</b>		
Entry Age Accrued Liability	\$69,238,732	\$71,636,098
Actuarial Value of Assets	43,508,180	47,888,979
Unfunded Accrued Liability	\$25,730,552	\$23,747,119
Funded Percentage (AVA)	62.8%	66.9%
Funded percentage (MVA)	65.3%	71.7%
<b>Cost Measures</b>		
Recommended Employer Contribution	\$3,879,542	\$3,717,980
Expected Employee Contribution	246,252	268,482
Total County Contribution	\$4,125,794	\$3,986,462
Total County Contribution (as a percentage of payroll)	27.1%	26.3%
<b>Asset Performance</b>		
Market Value of Assets (MVA)	\$45,246,187	\$51,338,383
Actuarial Value of Assets (AVA)	\$43,508,180	\$47,888,979
Actuarial Value/Market Value	96.2%	93.3%
<b>Participant Information</b>		
Active Participants	288	283
Terminated Vested Participants	94	90
Retirees, Beneficiaries, and Disabled Participants	237	247
Total	619	620
Expected Payroll	\$15,203,896	\$15,186,067



### **Changes Since Prior Valuation and Key Notes**

There have otherwise been no changes to the plan provisions since the last valuation.

To better reflect anticipated plan experience, the mortality improvement scale was changed to Scale MP-2020. The base RP-2006 Total and Disabled tables remain the same. This change caused a decrease in the Accrued Liability, Normal Cost, and Recommended Employer Contribution.

To better reflect anticipated plan experience, the administrative expense load added to the Normal Cost was changed from \$75,000 in 2020 to \$80,000 in 2021.

**Identification of Risks**

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the Plan. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

<b>Type of Risk</b>	<b>Method to Assess Risk</b>
Investment Return	Scenario Testing; Asset Liability Study
Interest Rates	Scenario Testing; Asset Liability Study
Political Risk	Scenario Testing
Participant Longevity	Stress Testing
Early Retirement	Stress Testing
Salary Growth	Scenario Testing; Stress Testing
Contribution	Projections and Contribution Strategy



## **Plan Maturity Measures**

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the Plan falls in its life-cycle.

### **Duration of Liabilities: 12.1**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 45.6%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 29.6%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 6.21%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

**Present Value of Future Benefits**

The Present Value of Future Benefits represents the future benefits payable to the existing participants.

**January 1, 2021**

**Present Value of Future Benefits**

Active participants

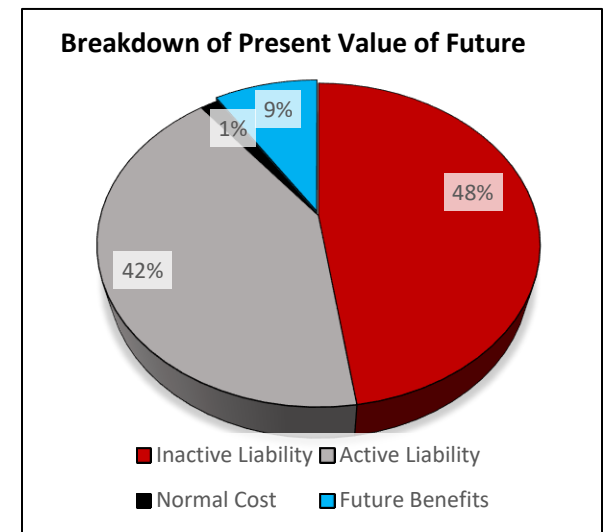
Retirement	\$38,765,267
Disability	703,481
Death	126,931
Termination	2,298,241
Refund of contributions	0
<b>Total active</b>	<b>\$41,893,920</b>

Inactive participants

Retired participants	\$32,305,669
Beneficiaries	1,814,412
Disabled participants	323,004
Terminated vested participants	3,752,591
<b>Total inactive</b>	<b>\$38,195,676</b>

**Total** **\$80,089,596**

Present value of future payrolls \$114,019,301



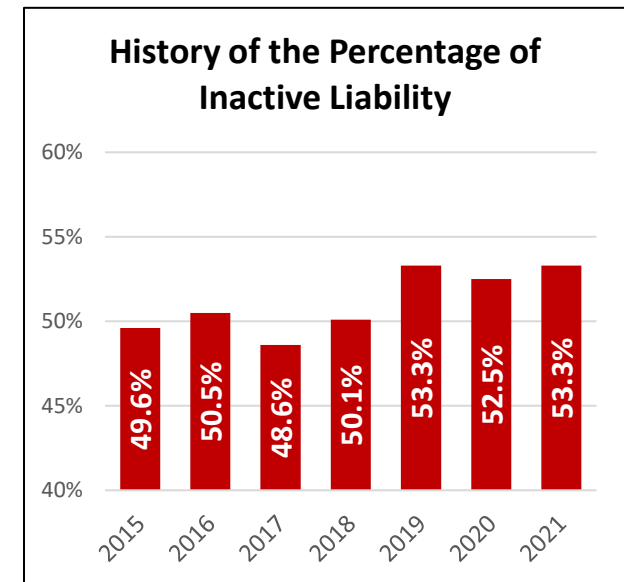
**Funding Liability – Entry Age Level Percent of Pay**

The Funding Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions.

**January 1, 2021**

**Entry Age Normal Accrued Liability**

Active participants	
Retirement	\$31,523,830
Disability	408,732
Death	93,601
Termination	1,414,259
Refund of contributions	0
Total Active	\$33,440,422
Inactive participants	
Retired participants	\$32,305,669
Beneficiaries	1,814,412
Disabled participants	323,004
Terminated vested participants	3,752,591
Total Inactive	\$38,195,676
Total	\$71,636,098
Total Normal Cost	\$1,251,690
Employee Normal Cost	268,482
Employer Normal Cost	\$983,208



**Asset Information**

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

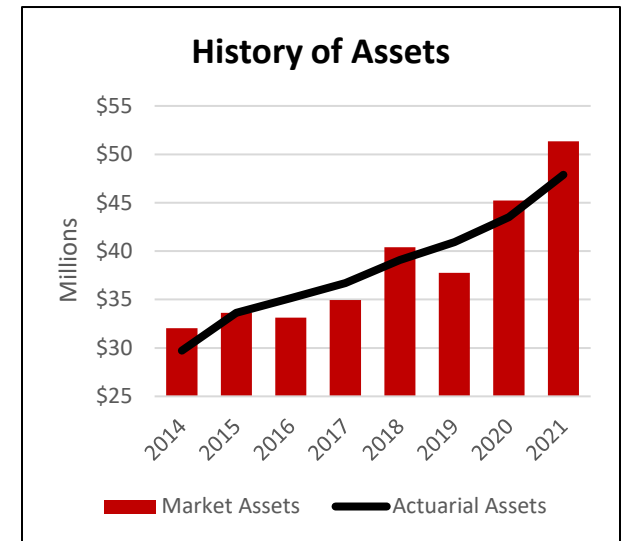
**January 1, 2021**

**Market Value Reconciliation**

Market value of assets, beginning of prior year	\$45,246,187
Contributions	
Employer contributions	3,155,378
Member contributions	252,722
Non-employer contributing entity	0
Total	3,408,100
Investment income	5,951,935
Benefit payments	(3,187,435)
Administrative expenses	(80,404)
Market value of asset, beginning of current year	\$51,338,383
Return on Market Value	13.13%
Market value of assets available for pension benefits	\$51,338,383

**Actuarial value of assets**

Value at beginning of current year	\$47,888,979
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**Asset Information (continued) – 5-Year Asset Smoothing**

Actuarial Value of Assets are used to develop funded percentages and contribution requirements.

	January 1, 2021
1. Expected market value of assets	
(a) Market value of assets, beginning of prior year	\$45,246,187
(b) Contributions	3,408,100
(c) Benefit payments	(3,187,435)
(d) Administrative expenses	(80,404)
(e) Expected return	3,282,379
(f) Expected market value of assets, beginning of current year	\$48,668,827
2. Market value of assets, beginning of current year	\$51,338,383
3. Actual return on market value	\$5,951,935
4. Amount subject to phase in [(3)-(1e)]	\$2,669,556
5. Phase in of asset gain/(loss)	
(a) Current year (80% x \$2,669,556)	\$2,135,645
(b) First prior year (60% x \$4,833,802)	2,900,281
(c) Second prior year (40% x \$(5,535,504))	(2,214,202)
(d) Third prior year (20% x \$3,138,401)	627,680
(e) Total phase-in	\$3,449,404
6. Preliminary actuarial value of assets, beginning of current year [(2)-(5e)]	\$47,888,979
7. 80% of Market value of assets	\$41,070,707
8. 120% of Market value of assets	\$61,606,059
9. Adjustment to actuarial value of assets due to 20% corridor	\$0
10. Final actuarial value of assets (6) - (9)	\$47,888,979
11. Return on actuarial value of assets	9.7%

**Reconciliation of Gain/Loss**

**January 1, 2021**

**Liability (gain)/loss**

Actuarial liability, beginning of prior year	\$69,238,732
Normal cost	1,273,075
Benefit payments	(3,187,435)
Expected Interest	4,996,561
Change in actuarial assumptions	<u>(337,804)</u>
Expected actuarial liability, beginning of current year	\$71,983,129
Actual actuarial liability	\$71,636,098
Liability (gain)/loss	\$(347,031)

**Asset (gain)/loss**

Actuarial value of assets, beginning of prior year	\$43,508,180
Contributions	3,408,100
Benefit payments	(3,187,435)
Administrative Expenses	(80,404)
Expected investment return	<u>3,159,428</u>
Expected actuarial value of assets, beginning of current year	\$46,807,869
Actual actuarial value of assets, beginning of current year	\$47,888,979
Asset (gain)/loss	\$(1,081,110)

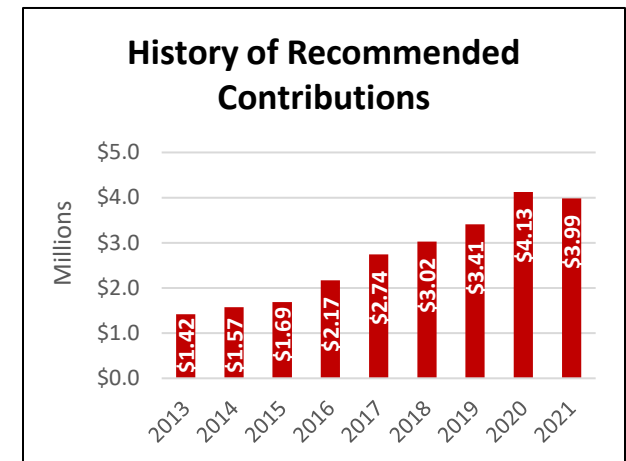
**Total (gain)/loss**

\$(1,428,141)

**Development of Actuarially Determined Contribution**

The actuarially determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

Valuation Date	January 1, 2021
<b>Funded Position</b>	
1. Entry age accrued liability	\$71,636,098
2. Actuarial value of assets	\$47,888,979
3. Unfunded actuarial accrued liability (UAAL)	\$23,747,119
<b>Employer Contributions</b>	
1. Normal Cost	
(a) Employer normal cost	\$983,208
(b) Expected employee contributions	268,482
(c) Total normal cost	\$1,251,690
2. Expected Administrative Expenses	80,000
3. Amortization of UAAL	2,321,065
4. Applicable interest	333,707
5. Total recommended contribution at valuation date	\$3,986,462
6. Expected employee contributions	\$268,482
7. Expected employer contributions	\$3,717,980
8. Expected payroll	\$15,186,067
9. Expected employer contribution as a percentage of expected payroll (7) / (8)	24.5%



The accrued liability exceeds the actuarial value of assets as of January 1, 2021. The unfunded liability has been amortized over a 20-year closed period at 7.25% interest.

The total recommended contribution includes \$268,482 in expected employee contributions.

The total recommended contribution includes interest to account for actual timing of when the contribution is expected to be made.

**Demographic Information**

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

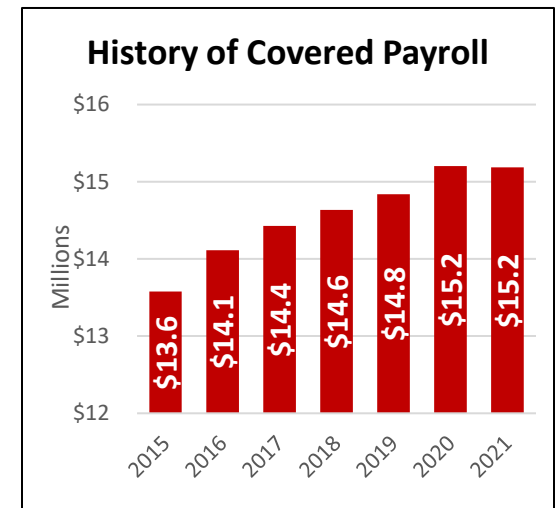
**January 1, 2021**

**Participant Counts**

Active Participants	283
Retired Participants	213
Beneficiaries	32
Disabled Participants	2
Terminated Vested Participants	90
<b>Total Participants</b>	<b>620</b>

**Active Participant Demographics**

Average Age	49.2
Average Service	11.9
Average Compensation	\$53,661
<b>Total Expected Payroll</b>	<b>\$15,186,067</b>





Demographic Information (continued)

January 1, 2021

**Retiree Statistics**

Average Age	71.8
Average Monthly Benefit	\$1,230

**Beneficiary Statistics**

Average Age	70.6
Average Monthly Benefit	\$520

**Disabled Participants Statistics**

Average Age	51.9
Average Monthly Benefit	\$1,676

**Terminated Vested Participants Statistics**

Average Age	51.2
Average Monthly Benefit	\$605

**Participant Reconciliation**

	Active	Terminated Vested	Disabled	Retired	Survivor	Totals
<b>Prior Year</b>	288	94	2	206	29	619
<b>Active</b>						
To Terminated Vested	(1)	1	0	0	0	0
To Disabled	0	0	0	0	0	0
To Retired	(13)	0	0	13	0	0
To Lump Sum Cash-Out	(11)	0	0	0	0	(11)
To Death with beneficiary	(2)	0	0	0	2	0
<b>Terminated Vested</b>						
To Active	1	(1)	0	0	0	0
To Retired	0	(3)	0	3	0	0
To Lump Sum Cash-Out	0	(1)	0	0	0	(1)
<b>Disabled</b>						
To Death	0	0	0	0	0	0
<b>Retired</b>						
To Death no beneficiary	0	0	0	(7)	0	(7)
To Death with beneficiary	0	0	0	(2)	2	0
<b>Survivor</b>						
To Death	0	0	0	0	(1)	(1)
<b>Additions</b>	21	0	0	0	0	21
<b>Departures</b>	0	0	0	0	0	0
<b>Current Year</b>	283	90	2	213	32	620

**Active Participant Schedule**

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	5	4	0	0	0	0	0	0	0	0	9	\$41,635
25 to 29	4	5	4	0	0	0	0	0	0	0	13	\$44,374
30 to 34	1	7	10	1	0	0	0	0	0	0	19	\$47,152
35 to 39	1	13	0	12	4	0	0	0	0	0	30	\$51,999
40 to 44	2	8	8	2	4	2	1	0	0	0	27	\$53,455
45 to 49	2	4	4	6	9	5	2	0	0	0	32	\$59,477
50 to 54	2	6	2	6	5	9	6	2	0	0	38	\$59,833
55 to 59	2	15	9	11	8	6	4	3	1	0	59	\$52,096
60 to 64	1	7	9	7	7	6	3	1	3	0	44	\$53,432
65 to 69	1	1	2	2	2	0	0	1	0	0	9	\$62,281
70 & up	0	1	0	1	0	0	1	0	0	0	3	\$57,755
<b>Total</b>	<b>21</b>	<b>71</b>	<b>48</b>	<b>48</b>	<b>39</b>	<b>28</b>	<b>17</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>283</b>	<b>\$53,661</b>

### **Plan Effective Date**

The plan was established June 18, 1957. The plan was last amended December 10, 2019.

### **Plan Status**

The plan is open to new participants and all participants are eligible to accrue additional benefits.

### **Eligibility for Participation**

An employee who receives a regular salary directly from Kent County will be a covered employee. The following people shall also be considered covered employees:

- Elected officials of Kent County;
- Board of Assessment members; and
- Part-time employees working more than 1,000 hours per calendar year

The following employees shall not be considered covered employees and are not eligible for the plan:

- The Mortgage Commissioner;
- Summer Youth Employment Program (or successor) employees;
- Part-time (less than 1,000 hours per year), temporary, contracted, or seasonal employees; and
- Former City of Dover paramedics having contributions made to the City pension plan by the County. Covered employment will begin when the contributions to the City pension plan cease, if the former City of Dover paramedic remains employed by the County

### **Accrued Benefit**

The monthly pension payable to covered employees hired on or before December 21, 2010 shall be 2% of the Average Monthly Base Salary of the highest three consecutive years (36 consecutive months) of salary with Kent County multiplied by the number of years served in covered employment with Kent County. For covered employees hired after December 21, 2010, the multiplier shall be 1.85% instead of 2%.

### **Benefits**

#### **Normal Retirement**

Eligibility      Age 62 and 5 years of service for those hired on or before June 29, 2010; or  
Age 62 and 8 years of service for those hired after June 29, 2010

Benefit            Accrued Benefit

**Early Retirement**

Eligibility      Age 55 and 20 years of service; or  
Age 60 and 15 years of service; or  
Any age and 30 years of service

Benefit          Accrued Benefit

**Late Retirement**

Eligibility      Participation continues after normal retirement date

Benefit          Accrued Benefit

**Disability**

Eligibility      A Covered Employee who shall become disabled while in Covered Employment and covered under County-provided long-term disability Insurance

Benefit          Covered employee will be considered as remaining in Covered Employment until they retire or the cessation of disability insurance, if earlier, for benefit accrual purposes

**Death before Retirement**

Eligibility      Covered employee with vested accrued benefit

Benefit          For married employees: 50% of the Accrued Benefit the covered employee would have received had they terminated employment on the date of death and survived to the earliest retirement age

For single employees: Survivor portion of the 50% Joint and Survivor Annuity if the covered employee terminated employment on the date of death and survived to the earliest retirement age

**Termination Benefit**

Eligibility	5 years of service if hired on or before June 29, 2010, 8 years of service if hired after June 29, 2010
Benefit	Accrued retirement benefit payable at participant's normal retirement date

**Average Monthly Base Salary**

Highest 36 consecutive months of base wage pay rate compensation approved by the County government for the position held and paid over a one-year Period, excluding pay for overtime, longevity, shift differential, accrued time payouts, bonuses, or any other special pay other than base wage pay rate compensation. Payroll deductions shall not reduce the annual compensation or salary amount. Amount will be limited by §401(a)(17) of the Code.

**Credited Service**

Years of service will be granted based on elapsed time for covered employees working more than 1,000 hours in a calendar year.

If a covered employees had similar employment with New Castle County, Sussex County, or the State of Delaware prior to June 27, 1986, such years of service shall be recognized and included for pension benefits, provided that such covered employee was employed by Kent County on or before June 27, 1986

**Employee Contributions**

Effective July 1, 2009, employees hired on or before December 21, 2010 shall contribute 1% of base salary payable over the normal pay periods

Effective December 21, 2010, employees hired after December 21, 2010 and prior to January 1, 2020 shall contribute 3% of base salary over \$6,000, payable over the normal pay periods

Effective January 1, 2020, employees hired after January 1, 2020 shall contribute 5% of base salary over \$6,000 payable over the normal pay periods

**Payment Forms**

Normal Form

Life Annuity

Optional Forms

50%, 75%, or 100% Joint and Survivor Annuity, 5 or 10-Year Certain and Life Annuity, Lump Sum (if less than \$3,500)

**Actuarial Equivalence**

Optional forms of payment will be converted from a life annuity using the applicable mortality table and the applicable interest rate for the month of December preceding the Plan Year in which the payment begins, as specified by the Secretary of the Treasury per §417(e)(3)

**Plan Provisions Not Included**

We are not aware of any plan provisions not included in the valuation

**Adjustments Made for Subsequent Events**

We are not aware of any events following the measurement date and prior to the date of this report that would materially impact the results of this report

Except where otherwise indicated, the following assumptions were selected by the plan sponsor with the concurrence of the actuary. Prescribed assumptions are based on the requirements of the relevant law, the Internal Revenue Code, and applicable regulation. The actuary was not able to evaluate the prescribed assumptions for reasonableness for the purpose of the measurement.

**Valuation Date**

January 1, 2021

**Participant and Asset Information Collected as of**

January 1, 2021

**Cost Method (CO)**

Entry Age Cost Method – Percent of pay

**Amortization Method (CO)**

20 year closed amortization of Unfunded Accrued Liability (Fresh Start at 1/1/2017)

**Asset Valuation Method**

Gains or losses on the Market Value of Assets are recognized over five years, subject to a 20% corridor around the Market Value of Assets

**Interest Rates (CO)**

7.25%, net of investment expenses

This assumption has been set by the plan sponsor in conjunction with their asset advisor. Detailed evaluation of this assumption was outside the scope of our engagement.



**Annual Pay Increases (FE)**

Sample rates:

<b>Age</b>	<b>Rate</b>
20	5.50%
25	4.50%
35	3.50%
45	3.25%
55+	3.00%

The annual pay increases are based on a study of actual experience for the plan from January 1, 2011 – January 1, 2016.

**Expense and/or Contingency Loading (FE)**

The Normal Cost is increased by \$80,000 to cover anticipated administrative expenses paid from the trust during the 2021 plan year.

**Mortality Rates (FE)**

Healthy Lives	RP-2014 Total Mortality Table with fully generational improvements projected from 2006 based on Scale MP-2020
Disabled Lives	RP-2014 Disabled Mortality Table with fully generational improvements projected from 2006 based on Scale MP-2020

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.

**Retirement Rates (FE)**

<b>Age</b>	<b>Rate</b>
55-57	10%
58-59	0%
60	25%
61	10%
62	20%
63-64	15%
65-69	50%
70+	100%

The retirement rates are based on a study of actual experience for the plan from January 1, 2011 – January 1, 2016.

**Disability Rates (FE)**

Sample rates:

<b>Age</b>	<b>Rate</b>
25	0.077%
30	0.091%
35	0.116%
40	0.203%
45	0.358%
50	0.617%
55	1.075%
60	1.397%
65+	0.000%

As the plan is not large enough to have credible experience, disability rates are determined based on the results of broad population studies.

**Withdrawal Rates (FE)**

Rates based on age and service, select and ultimate table:

Age	Service					
	Under 1	1-2	2-3	3-4	4-5	5+
20	12.00%	15.00%	18.00%	15.00%	10.00%	8.00%
25	12.00%	15.00%	18.00%	15.00%	10.00%	8.00%
30	12.00%	15.00%	15.00%	15.00%	9.50%	7.00%
35	12.00%	12.00%	15.00%	12.00%	7.50%	6.00%
40	12.00%	11.50%	12.00%	10.00%	7.50%	5.50%
45	12.00%	10.00%	12.00%	10.00%	5.00%	3.00%
50	12.00%	6.50%	10.00%	5.00%	5.00%	3.00%
55	12.00%	4.00%	5.00%	4.00%	4.00%	2.00%
60	12.00%	1.50%	2.00%	1.50%	1.50%	1.50%

The withdrawal rates are based on a study of actual experience for the plan from January 1, 2011 – January 1, 2016.

**Marital Status and Ages (FE)**

100% of Participants are assumed to be married with wives assumed to be 3 years younger than husbands.

**Payment Form Election (FE)**

Life Annuity	100%
Lump Sum	0%

**Cost of Living Adjustment (CO)**

1% compounded COLA applied to pensioners who retire from active service.

FE indicates an assumption representing an estimate of future experience

MD indicates an assumption representing observations of estimates inherent in market data

CO indicates an assumption representing a combination of an estimate of future experience and observations of market data

The actuarial report also shows the necessary items required for plan reporting and any state requirements.

- ✓ Schedule of Amortizations

**Schedule of Amortizations**

January 1, 2021

<u>Date Established</u>	<u>Remaining Period Years</u>	<u>Outstanding Balance</u>	<u>Annual Payment*</u>
1/1/2017	16	\$13,919,221	\$1,396,695
1/1/2018	17	2,072,535	201,371
1/1/2019	18	3,044,152	287,282
1/1/2020	19	5,951,415	547,000
1/1/2021	20	<u>(1,240,204)</u>	<u>(111,283)</u>
	Total	\$23,747,119	\$2,321,065

\*Annual Payment for the amortization bases established as of 1/1/2017 and 1/1/2018 were changed to amounts sufficient to pay down the outstanding balance over the remaining period years using the new discount rate of 7.25%.