



ACUFF & ASSOCIATES
The Retirement Plan Authority

A BETTER PLAN. A BETTER PARTNER. A BETTER RETIREMENT.

Actuarial Valuation Report As of January 1, 2015

Prepared for

CITY OF FRANKLIN EMPLOYEES' PENSION PLAN AND TRUST

BRENTWOOD, TENNESSEE 37027
OFFICE: (615) 726-2410

MEMPHIS, TENNESSEE 38133
OFFICE: (901) 767-3366

www.acuff.net

KNOXVILLE, TENNESSEE 37923
OFFICE: (865) 470-4232

SHREVEPORT, LOUISIANA 71119
OFFICE: (318) 635-8006

Contents of Report

INTRODUCTION	2
ACTUARIAL CERTIFICATION	4
EXECUTIVE SUMMARY OF PRINCIPAL VALUATION RESULTS	5
SECTION 1 – SUMMARY OF VALUATION RESULTS	6
SECTION 1.1 – ASSETS	7
SECTION 1.2 – ACTUARIAL RESULTS.....	10
SECTION 1.3 – ACTUARIAL EXPERIENCE.....	11
SECTION 1.3 – ACTUARIAL EXPERIENCE - (CONTINUED)	12
SECTION 1.4 – FUNDING	13
SECTION 1.5 – GASB STATEMENT NO. 67.....	14
SECTION 2 – BASIS OF VALUATION	19
SECTION 2.1 – SUMMARY OF PLAN PROVISIONS	20
SECTION 2.2 – ACTUARIAL BASIS.....	27
SECTION 2.3 – CENSUS DATA	36
SECTION 3 – SUPPLEMENTAL INFORMATION	38
SECTION 3.1 – HISTORICAL YEARLY COMPARISON	39
SECTION 3.2 – ACTIVE PARTICIPANT DEMOGRAPHIC TABLES	40

Introduction

This report has been prepared for the City of Franklin (the "City") by Acuff & Associates, Inc. to:

1. Present the results of a valuation of the City of Franklin Employees' Pension Plan (the "plan") as of January 1, 2015
2. Review experience under the plan for the period ended December 31, 2014
3. Provide to the City the recommended contribution under the plan for the City's fiscal year beginning July 1, 2015
4. Provide reporting and disclosure information for government agencies and other interested parties

This report shows the results of four classifications, or tiers, of pension benefits for employees.

Tier one: employees hired before July 1, 2006

Tier two: employees hired between July 1, 2006 and February 15, 2010

Tier three: employees hired after February 15, 2010 who elected to contribute to the defined benefit plan.

Tier four: employees hired after February 15, 2010 who elected to contribute to a defined contribution plan. This valuation holds no liability for this group due to the possibility of them joining the plan at a later date.

Note: It appears the contribution to the 401(a) Plan is covering the Tier 4 expected benefit that could accrue for them under the provision of the defined benefit Plan.

This report is divided into the following three sections:

Section I contains the actuarial results of the valuation. It includes the experience and reporting disclosure for the plan year ending December 31, 2014 and the current normal cost and expected contribution for the year beginning January 1, 2014.

Introduction (Continued)

Section 1.4 shows the determination of the City's recommended contribution for the fiscal year beginning July 1, 2015.

	07/01/2015	4 Quarterly Contributions
Recommended Contribution	\$ 2,771,958	\$ 2,846,724
As a Percent of Expected Covered Payroll	9.83%	10.09%

Section 1.5 provides GASB (Government Accounting Standards Board) Statement Number 67 Information.

Section 2 summarizes the plan's provisions, provides information relating to the plan's participants, and describes the funding methods and actuarial assumptions used in determining actuarial liabilities and costs.

Section 3 contains historical information and active participant demographic tables.

Actuarial Certification

The information and valuation results shown in this report are, to the best of our knowledge, complete and accurate. The information presented in this report is based upon the following:

- Employee census data as of January 1, 2015, submitted by the City, which appears to be reasonable and sufficient for the purpose of this report
- Asset information as of December 31, 2014, reported by US Bank and Trust, which appears to accurately represent the assets of the plan
- Actuarial assumptions and methods, which, individually and in combination, represent our best estimate of anticipated experience under the plan
- Actuarial assumptions, which are reasonable and relate to the experience of the plan
- Interpretation of plan provisions as summarized in this report

The amounts presented in the exhibits of this report were determined in accordance with generally accepted actuarial methods and practices and fully disclose the actuarial position of the plan. Reliance was placed on participant and financial information as listed above.

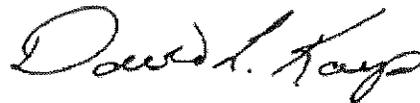
The undersigned are available to answer any questions with respect to this report.

Respectfully submitted,

Acuff & Associates, Inc.

May 15, 2015

Date Signed



David F. Kays, ASA, MAAA

May 15, 2015

Date Signed



John R. Rath, EA, MAAA, FCA

Executive Summary of Principal Valuation Results

A summary of the principal valuation results from the current valuation and last year's valuation follows:

<u>Summary of Data</u>	Actuarial Valuation as of	
	<u>01/01/2015</u>	<u>01/01/2014</u>
Number of Participants Included in Valuation		
Active Participants	560	562
Vested Terminated Participants	146	137
Disabled Participants	4	4
Retired Participants and Beneficiaries	155	138
Total	<u>865</u>	<u>841</u>
Expected Covered Payroll for Participants Included in the Valuation	\$ 28,177,068	\$ 27,440,025
<u>Summary of Actuarial Results</u>		
Present Value of Benefits	\$ 110,699,479	\$ 101,820,337
Actuarial Accrued Liability	97,426,953	88,763,576
Unfunded Actuarial Accrued Liability	8,003,807	4,291,887
Net Normal Cost	\$ 2,093,993	\$ 1,977,349
Normal Cost Rate	7.43%	7.21%
Recommended Contribution Paid Quarterly As a Percent of Payroll	\$ 2,846,724 10.09%	\$ 2,417,920 8.81%
<u>Summary of Actuarial Value of Assets and Actuarial Present Values on the Valuation Date</u>		
Actuarial Value of Plan Assets on the Valuation Date	\$ 89,423,146	\$ 84,471,689
Actuarial Present Value of Accumulated Plan Benefits	\$ 84,467,387	\$ 77,113,277
Funding Ratio	105.87%	109.54%

Section 1 – Summary of Valuation Results

This section sets forth the results of the actuarial valuation.

Section 1.1 shows the development of assets.

Section 1.2 shows the actuarial results.

Section 1.3 shows the actuarial experience.

Section 1.4 shows the development of funding alternatives.

Section 1.5 shows the GASB 67 results.

Section 1.1 – Assets

Reconciliation of Assets

The following is a summary of the asset information as submitted by US Bank.

1.	Market Value of Assets as of January 1, 2014	\$84,471,689
2.	Contributions and Disbursements	
a.	Employer Contributions	\$ 2,498,757
b.	Employee Contributions	419,322
c.	Benefit Payments	(3,234,121)
d.	Expense	(561,992)
e.	Transferred	0
f.	Net	<u>\$ (878,034)</u>
3.	Investment Income	
a.	Interest/Dividends	\$ n/a
b.	Realized Gain/(Loss)	n/a
c.	Unrealized Gain/(Loss)	n/a
d.	Other Adjustments	n/a
e.	Net Investment Income/(Loss)	<u>5,829,491</u>
4.	Market Value of Trust as of December 31, 2014 (1) + (2f) + (3e)	\$89,423,146
5.	Employee Contributions Receivable	\$ 0
6.	Employer Contributions Receivable	<u>0</u>
7.	Actuarial Value of Assets as of December 31, 2014 (4) + (5) + (6)	\$89,423,146
8.	Rate of Return	6.94%
9.	Rate of Return Net of Expenses	6.25%

Section 1.1 – (Continued)

Reconciliation of Cash Balance Employee Contributions

	<u>Mandatory</u>	<u>Voluntary</u>	<u>Rollover</u>	<u>Totals</u>
1. As of 01/01/2014	\$ 5,312,522.23	\$ 248,458.55	\$ 0.00	\$5,560,980.78
2. Employee Contributions	252,076.30	18,474.80	0.00	270,551.10
3. Interest Credited	320,737.30	18,326.78	0.00	339,064.08
4. Payouts	(226,562.23)	(21,282.47)	0.00	(247,844.70)
5. Adjustments	0.00	0.00	0.00	0.00
6. Totals as of 12/31/2014	<u>\$ 5,658,773.60</u>	<u>\$ 263,977.66</u>	<u>\$ 0.00</u>	<u>\$5,922,751.26</u>

Mandatory Employee Contributions

	<u>Total Accumulated</u>	<u>2014 Contribution</u>
Tier 3	\$ 288,825	\$ 147,423
Tier 4	\$ 205,657	\$ 139,172

Section 1.1 – (Continued)

Summary of Assets as of December 31, 2014

	<u>Market Value</u>	<u>Market Value</u>	<u>Allocation Percentage</u>
1. Clearing Account	\$ 4,234,348		4.70%
2. Polen Lrg Cap Grth	10,109,536		11.31%
3. RMK Timber	1,739,039		1.94%
4. Bailard Real Estate	4,701,067		5.26%
5. CS McKee Large Cap	18,507,216		20.70%
6. Southern Sun	10,974,718		12.27%
7. SSGA Fixed Income	7,858,660		8.79%
8. Westwood Global Emerging Market	5,665,475		6.34%
9. Developing Markets	8,363,368		9.35%
10. Landmark Private Equity	1,353,219		1.51%
11. RMS Forrest Timber	1,368,514		1.53%
12. Hamilton Lane	731,947		0.82%
13. Longfellow Investment	13,816,039		15.45%
Total Assets	\$ 89,423,146		100.00%

Section 1.2 – Actuarial Results

The following schedule shows the development of the Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Normal Cost at the current valuation date and compared to the previous valuation date.

	2015 Valuation @7.5%	2014 Valuation @7.5%
1. Actuarial Accrued Liability		
a. Active Participants	\$48,807,746	\$45,913,957
b. Cash Balance Accounts	5,922,751	5,560,981
c. Retired Participants and Beneficiaries	38,528,008	33,618,894
d. Vested Terminated Participants	3,996,494	3,501,449
e. Disabled Participants	171,954	168,295
Total	<u>\$97,426,953</u>	<u>\$88,763,576</u>
2. Actuarial Value of Assets	89,423,146	84,471,689
3. Unfunded Actuarial Accrued Liability	\$ 8,003,807	\$ 4,291,887
4. Contribution		
a. Normal Cost	\$ 2,093,993	\$ 1,977,349
b. Expected Employee Contribution	<u>(175,680)</u>	<u>(117,885)</u>
c. Net Normal Cost	\$ 1,918,312	\$ 1,859,464
d. As a Percent of Pay	6.80%	6.65%
e. Amortization Payment	755,201	411,338
f. January 1, Payment	\$ 2,673,513	\$ 2,270,802
c. + e.		
g. December 31, Payment	\$ 2,874,027	\$ 2,441,112
f.*1.075		
h. Estimated Covered Payroll	\$28,205,179	\$27,440,025
i. As a Percent of Covered Payroll	10.19%	8.90%

Section 1.3 – Actuarial Experience

Under the funding method employed, actuarial experience is measured by comparing the Expected Unfunded Actuarial Accrued Liability, as if all actuarial assumptions had been met, to the Actual Unfunded Actuarial Accrued Liability at the valuation date. If the Expected Unfunded Actuarial Accrued Liability exceeds the Actual Unfunded Actuarial Accrued Liability, there is an actuarial gain; conversely, if the Expected Unfunded Actuarial Accrued Liability is less than the Actual Unfunded Actuarial Accrued Liability, there is an actuarial loss.

The Plan experienced a net actuarial loss of \$3.8 Million. An asset loss of \$.5 Million was due to return on assets less than the assumed rate of return of 7.50%. A liability loss of \$3.3 Million was due to actual experience which differed from other assumptions such rates of mortality, salary increases and retirement. In particular the new retirees' liability was more than expected because many retirees had a spike in last year pay which increased the liability more than expected.

Section 1.3 – Actuarial Experience - (Continued)

1.	Unfunded Actuarial Accrued Liability/(Surplus) as of 01/01/2014	\$ 4,374,134
2.	Expected Increases During the Year	
	a. Normal Cost Due at the Beginning of the Year	\$1,977,349
	b. Interest for One Year On	
	(i) Normal Cost	\$148,301
	(ii) Unfunded Actuarial Accrued Liability	\$328,060
	Total Interest (i) + (ii)	<u>\$476,361</u>
	c. Total Expected Increases (a) + (b)	\$2,453,710
3.	Expected Decreases During the Year	
	a. Employer Contributions for the Year	\$2,498,757
	b. Interest on Employer Contributions from Dates Made to the End of the Year	<u>\$93,703</u>
	c. Total Expected Decreases (a) + (b)	<u>\$2,592,460</u>
4.	Expected Unfunded Actuarial Accrued Liability/(Surplus) at End of Year (1) + (2c) - (3c)	\$ 4,235,384
5.	Actual Unfunded Actuarial Accrued Liability/(Surplus)	<u>8,003,807</u>
6.	Actuarial Experience Gain/(Loss) for the Year	<u><u>\$(3,768,423)</u></u>

Section 1.4 – Funding

IRC (Internal Revenue Code) Section 404(a)(1) describes the limitations on tax deductible contributions to a pension trust, and IRC Section 412 sets forth minimum funding standards for non-government entities. Since the City is a government entity and tax consequences can be affected by factors not considered here, we recommend the City seek the advice of counsel with respect to the tax consequences of any contribution to be made. Furthermore, state tax law may differ from federal tax law; the amounts determined below may have some tax consequences to the City and its employees.

On the basis of the valuation as of January 1, 2015, the following is the determination of the recommended contribution amount for the City's fiscal year beginning July 1, 2015.

The recommended contribution is the Normal Cost plus 17 year amortization of the current unfunded accrued liability, plus 20 year amortization of any future actuarial gains or losses after 2015, plus interest to the date the contribution is actually deposited.

Recommended Quarterly Contribution

Recommended Contribution Schedule	2015 Valuation	2014 Valuation
1. Normal Cost	\$ 1,918,312	\$1,859,464
Amortization	755,201	411,338
2. Recommended Contribution at January 1	\$ 2,673,513	\$2,270,802
3. Recommended Contribution July 1	\$ 2,771,958	\$2,354,417
4. As a Percent of Expected Covered Payroll	9.83%	8.58%
5. Interest to December 31	\$ 200,514	\$ 170,310
6. Recommended Contribution December 31	\$ 2,874,027	\$2,441,112
7. As a Percent of Expected Covered Payroll	10.19%	8.90%
8. Quarterly Contributions		
July 1, 2015	\$ 711,681	\$ 604,480
October 1, 2015	711,681	604,480
January 1, 2016	711,681	604,480
April 1, 2016	711,681	604,480
Total	\$ 2,846,724	\$2,417,920
9. As a Percent of Expected Covered Payroll	10.09%	8.81%

Section 1.4 – Funding

Amortization Schedule for Unfunded Actuarial Accrued Liability

Amortization Base	Date Amortization Base Established	Remaining to Amortize Base	Initial Balance of Amortization Base	Outstanding Balance of Amortization Base	Amortization Payment of Base
2014 Unfunded	01/01/2014	17	\$4,291,887	\$4,171,590	\$411,338
2015 Loss	01/01/2015	20	\$3,768,423	\$3,768,423	\$343,863
Total				\$7,940,013	\$755,201

Section 1.5 – GASB Statement No. 67

Statement No. 67 of the Government Accounting Standards Board (GASB 67) is effective for the plan year ending December 31, 2014. The following information is intended to satisfy reporting requirements. The following section is in other parts of this report

- Statement of Fiduciary Net Position – see Section 1.1
- Statement of Change in Fiduciary Net Position – See Section 1.1
- Investment Information – see Section 1.1
- Schedule of Investments – see Section 1.1

The following is this part of the report:

- Schedule of Changes in Plan's Net Pension Liability
- Net Pension Liability
- Discount Rate Sensitivity
- Schedule of Investment Return
- Schedule of Contributions

Fiduciary Net Position is the amount of assets available for pension benefits in the plan. The Total Pension Liability is the plan liability determined using assumptions and actuarial methods listed Section 2.2 of this report. The Net Pension Liability is the difference in the Total Pension Liability and the Fiduciary Net Position.

Section 1.5 – GASB Statement No. 67 - (Continued)

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 1,977,349
Interest	6,583,224
Changes of benefit terms	0
Differences between expected and actual experience	3,336,925
Changes of assumptions	0
Benefit payments, including refunds of member contributions	<u>(3,234,121)</u>
Net change in total pension liability	\$ 8,663,377
Total Pension Liability - beginning	<u>88,763,576</u>
Total Pension Liability - ending (a)	<u>\$ 97,426,953</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 2,498,757
Contributions - member	419,322
Net investment income	5,829,491
Benefit payments, including refunds of member contributions	(3,234,121)
Administrative expense	(561,992)
Other	0
Net change in plan fiduciary net position	\$ 4,951,457
Plan fiduciary net position - beginning	<u>84,471,689</u>
Plan fiduciary net position - ending (b)	<u>\$ 89,423,146</u>
Plan's net pension liability - ending (a) - (b)	<u>\$ 8,003,807</u>
Plan's fiduciary net position as a percentage of the total pension liability	91.78%
Covered-employee payroll	\$ 28,205,179
Plan's net pension liability as a percentage of covered-employee payroll	28.38%

Section 1.5 – GASB Statement No. 67 - (Continued)

Net Pension Liability (NPL)

Determination of net Pension Liability

The components of the Net Pension Liability at December 31, 2014

Total Pension Liability	\$	97,426,953
Plan Fiduciary Net Position	\$	(89,423,146)
Net Pension Liability	\$	8,003,807

Plan Fiduciary Net Position as a Percentage of Total Pension Liability 91.78%

Sensitivity of Net Pension Liability to changes in the Discount Rate

	1% Decrease	Current Rate	1% Increases
	6.50%	7.50%	8.50%
Net Pension Liability	\$110,230,112	\$97,426,953	\$86,910,520

Schedule of Investment Returns

	<u>2014</u>
Annual money-weighted rate of return net of investment expense	6.25%

Section 1.5 – GASB Statement No. 67 - (Continued)

Schedule of Plan Contributions

	<u>2014</u>
Actuarially determined contribution	\$ 2,417,920
Contributions in relation to the actuarially determined contributions	<u>2,498,757</u>
Contribution deficiency (excess)	\$ (80,837)
Covered-employee payroll	\$ 27,440,025
Contributions as a percentage of covered-employee payroll	9.11%

Section 2 – Basis of Valuation

In this section, the basis of the valuation is presented and described. This information (the provisions of the plan and the census of participants) is the foundation of the valuation, since these are the present facts upon which benefit payments will depend.

The valuation is based upon the premise that the plan will continue in existence; therefore, future events must also be considered. These future events are assumed to occur in accordance with the actuarial assumptions and concern such events as the earnings of the assets, the number of participants who will remain until retirement as well as their ages at retirement and their expected benefits.

The actuarial assumptions and the actuarial cost method, or funding method, which have been adopted to guide the sponsor in funding the plan in a reasonable and acceptable manner, are described in this section.

Section 2.1 summarizes the plan provisions.

Section 2.2 describes the actuarial valuation method and shows the actuarial assumptions.

Section 2.3 summarizes the census data used in the valuation.

Section 2.1 – Summary of Plan Provisions

Name of Plan

City of Franklin Employees' Pension Plan

Plan Sponsor & Plan Administrator

City of Franklin

Trustees

City of Franklin

City of Franklin Employee Pension and Trust Investment

Human Resource Director, two (2) members of the Board appointed by the Mayor, two (2) City Employee Representatives elected by the Employee population covered by this Plan, and two (2) Citizen Representatives who shall be appointed initially by the Mayor.

Effective Date

The plan was originally established effective May 1, 1971. The restated plan document is effective July 1, 2009. Last amended effective February 15, 2010.

Plan Year

The plan year is the calendar year.

Eligibility

A full-time employee who works 30 hours or more per week will become an active member on the first day of the month after meeting the following requirements:

- Completes one year of continuous service
- Reaches age 21
- An Employee hired on or after February 15, 2010, shall become eligible to participate in the Plan and become a Participant as of the first day of the month immediately following the commencement of the Employee's employment by the City, provided, however, that such Employee shall be eligible to participate in the Plan only upon his election to participate.

Section 2.1 – (Continued)

Credited Service

Credited Service under the plan is based on completed calendar months during which an Employee has been in continuous employment with the City of Franklin. Periods of absence due to disability, military service, or approved leave are not considered discontinuance of employment.

Plan Compensation

Plan Compensation is W-2 Compensation, including deferrals made under this plan as mandatory pre-tax employee contributions, any amounts made under a cafeteria (§125) plan, overtime pay, bonuses, holiday pay, fringe benefits (cash or non-cash), deferred compensation, welfare benefits, and other regular pay. Compensation excludes reimbursements or other expense allowances, moving expenses, uniform allowances, and supplemental pay for police officers and firefighters, long-term disability benefits, pay in-lieu-of notice, severance pay, tuition reimbursements, or automobile allowances.

Average Compensation

“Average Compensation” shall mean the average of the Participant’s Compensation over the three (3) consecutive whole calendar years of a Participant’s Employment during which his Compensation was the greatest out of the last ten (10) calendar years, or over a lesser number of Years of Employment actually served provided, however, that for a Participant who was first hired by the City on or after February 15, 2010, “Average Compensation” shall mean the average of the Participant’s Compensation over the five (5) consecutive whole calendar years of a Participant’s Employment during which his Compensation was the greatest out of the last ten (10) calendar years or over a lesser number of Years of Employment actually served.

Accrued Benefit

Determined in the same manner as Normal Retirement Benefit using Average Compensation and Service at date of determination.

Participants’ Cash Balance Accounts are the account balances on the date of determination.

Normal Retirement

Eligibility

Normal retirement occurs at age 65 and completion of 5 years of plan participation. With respect to employees hired before July 1, 2006, normal retirement occurs when they complete 25 years of service.

Section 2.1 – (Continued)

Benefit

For employees hired before July 1, 1995, the benefit formula is the greater of

- 2% of Average Compensation multiplied by the number of years of Credited Service, less 50% of the monthly Primary Insurance Amount provided under Social Security at the time of retirement, or
- 1% of Average Compensation multiplied by the number of years of Credited Service.

For all retirements and terminations after July 1, 2003, the benefit formula is 2% of Average Compensation multiplied by the number of years of Credited Service.

Cash Balance Accounts

Cash Balance Accounts include the sum of all pre-tax employee contributions, post-tax employee contributions, discretionary City contributions, and interest credits.

Early Retirement

Eligibility

Completion of ten years of Credited Service and attainment of age 55, or completion of 25 years of Credited Service regardless of age.

Benefit

The benefit is determined under the Accrued Benefit formula stated above, which is based on service and compensation to date, and is payable at age 65. A reduced benefit is payable immediately. The reduction for immediate commencement of benefits is 5% per year for each year preceding normal retirement with a prorated adjustment for partial years, rounded to the nearest month. A participant hired before February 15, 2010 who has attained age 62 with twenty years of Credited Service will receive an Early Retirement Benefit without reduction.

Participants hired after July 1, 2006 and before February 15, 2010 can retire after age 55 with at least 25 year of service with no reduction for early retirement.

Participants' Cash Balance Accounts are the account balances on the Early Retirement Date.

Section 2.1 – (Continued)

Late Retirement

Benefit

The late retirement benefit is the greater of the benefit determined under Normal Retirement above calculated as of the Normal Retirement Date actuarially increased to the late retirement date, or the benefit determined under Normal Retirement above recognizing pay and service to the late retirement date.

Participants' Cash Balance Accounts are the account balances on the actual Retirement Date.

Disability Retirement

Eligibility

A participant must be totally and permanently disabled.

Benefit

The benefit is the accrued retirement benefit reduced for early payment or deferred to age 65 if the participant is not otherwise eligible to receive a benefit.

Vesting

A participant will be vested in his Accrued Benefit according to the following schedule adopted after January 1, 2003.

Credited Service	Vested Percentage
Less than 5 years	0%
5 years	100%

A participant is 100% vested immediately in all Cash Balance Accounts.

Death Before Retirement

Eligibility

Attainment of age 21 and one year of Credited Service is required to be eligible for this benefit upon death.

Section 2.1 – (Continued)

Benefit

The beneficiary receives the monthly benefit that can be provided by the actuarial present value of the accrued benefit. If the employee dies before becoming eligible for Early Retirement, the beneficiary may receive a Lump Sum equal to the actuarial present value of the accrued benefit.

Death After Retirement

No benefit is payable unless an optional form of settlement has been elected. Otherwise, the benefit is the employee's contributions, plus interest, less the amount of annuity payments paid.

Annuity Forms

The following forms of settlement are available:

Normal Form

- The normal form for the monthly benefit is a life annuity benefit. However, each participant married at retirement who does not elect otherwise will receive a joint annuity in a reduced amount providing for a 50% continuation to a surviving spouse.
- The normal form for the Cash Balance Accounts is a lump sum. However, it may be converted to an annuity payable for life with a death benefit refund of the account at the Participant's Retirement Date, minus the sum of the monthly payments that have been made.

Optional Forms

- Contingent options at 50%, 75%, or 100% of the benefit being paid to the beneficiary upon death of the retiree
- Five, ten, and fifteen year certain and life annuities
- Social Security adjustment option
- Special option upon request and granted by the City

Contributions

Mandatory Participant Contributions

Employees that elect to participate, who were first hired by the City on or after February 15, 2010, shall make a mandatory contribution to the Plan in an amount equal to 5% of the Participant's Compensation. Employees are 100% vested in total accumulated contribution without interest.

Section 2.1 – (Continued)

Pre-Tax Employee Contributions

Employees hired before July 1, 1995 may contribute from 3% to 10% on a pre-tax basis to a Cash Balance Account. For employees hired on or after July 1, 1995, a 3% pre-tax contribution is required, but an additional contribution up to 7% may be made if elected on a one-time basis.

Post-Tax Employee Contributions

Employees may make a voluntary after-tax contribution of 1% to 10% of annual salary to a Cash Balance Account.

Discretionary City Contributions

The City may make additional contributions to Participants' Cash Balance Accounts on a discretionary basis.

Regular City Contributions

The City will make regular contributions as required to fund the plan.

Interest on Cash Balance Accounts will be credited each year with interest calculated at the rate for U.S. Treasury Bills as of November 1 of the previous year plus 1%. The minimum interest to be credited will be no less than 6% per year.

Section 2.1 – (Continued)

The rates used to date are:

Year	Rate
1995	9.08%
1996	7.26%
1997	7.48%
1998	7.11%
1999	6.25%
2000	7.15%
2001	6.78%
2002	6.12%
2003	6.00%
2004	6.12%
2005-2014	6.00%

Section 2.2 – Actuarial Basis

What is an Actuarial Valuation?

An actuarial valuation is a mathematical method for measuring the liabilities under a pension plan and for determining a schedule of contributions to finance the plan. The actual cost of a pension plan cannot be determined until its entire experience is complete; however, actuarial techniques determine a pattern of contributions that will finance the liabilities in an orderly fashion. Assumptions are made regarding future experience with regard to the rate of investment return on invested funds; the probability of death, disability, or other termination from employment; the rate of future salary increases; etc. The set of actuarial assumptions and the valuation method selected by the actuary become the basis for making a valuation of the pension plan. The degree of conservatism to be reflected in the actuarial assumptions is a matter of judgment of the actuary and the City offering their best estimates of anticipated experience under the plan.

An actuarial valuation does not determine ultimate pension plan costs; only the actual experience with regard to the many variables involved will establish the true cost of the plan. An actuarial valuation, however, reveals the year to year incidence of contributions necessary to soundly fund pension benefits. The incidence of contributions, also known as funding schedule, may be increasing, level, or decreasing from year to year as a percentage of payroll, depending on the actuarial funding method utilized. Annual actuarial valuations are made to adjust contributions gradually as actual experience emerges. Changes in the assumptions may be required if the experience consistently departs from the valuation assumptions.

Description of Valuation Method - Entry Age Normal

Actuarial Liabilities and Contributions shown in this report are computed using the Entry Age Normal method of funding.

A detailed description of the calculation follows:

A Normal Cost is the annual amount that would have to be paid for each member from his original date of entry (employment) to his assumed retirement (termination, disability, or death) date in order to fund his projected benefits, over the whole of his working life (membership in the plan). This computation is made in such a way that each year's annual payment is a level dollar.

The Unfunded/(Surplus) Actuarial Accrued Liability is determined by calculating the Present Value of Projected Benefits at that date, and subtracting the Present Value of Future Normal Costs, as determined above, together with any applicable assets of the Fund.

A Past Service Contribution (amortization payments) is calculated as the amount needed to fund the Initial Unfunded Actuarial Accrued Liability plus any changes in the Unfunded Actuarial

Section 2.2 – (Continued)

Accrued Liability due to plan changes, assumption changes, or actuarial experience gains/(losses), together with interest thereon, in equal annual installments as required by the regulations.

Active participants are treated for funding purpose as terminated participants due to the ceasing of benefit accruals. Therefore, there is no normal cost, and the actuarial accrued liability is equal to the present value of their benefits.

Economic Actuarial Assumptions

Interest

Funding rates:

Pre-Retirement 7.5% per year, compounded annually, net of expenses

Post-Retirement 7.5% per year, compounded annually, net of expenses

Projected Salary Increase

Salaries are assumed to increase at 3.5% per year.

Cost of Living Increase

Post-Retirement Benefit Increase is assumed to increase at 2.0% per year.

Demographic Actuarial Assumptions

Healthy Mortality

Male: SOA - RP 2000 Mortality Table for males with blue collar adjustment

Female: SOA - RP 2000 Mortality Table for females with blue collar adjustment

Post Disablement Mortality

Male: PBGC for Unhealthy Lives Table for males

Female: PBGC for Unhealthy Lives Table for females

See the Table at the end of this section for selected rates.

Section 2.2 – (Continued)

Termination or Withdrawal from Service

Male: Twice the T-3 Table less 1951 Group Annuity Table for males

Female: Twice the T-3 Table less 1951 Group Annuity Table for males

See the Table at the end of this section for sample values.

Age at Retirement

See the Table at the end of this section for sample values.

Possibility of Disability

Male: 100% of UAW Table for males

Female: 100% of UAW Table for females

See the Table at the end of this section for selected rates.

Expenses

Reflected in the interest funding rate.

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Disability		Termination
	Males	Females	
20	.0300	.0400	13.1550
25	.0300	.0500	10.5408
30	.0400	.0600	9.6624
35	.0500	.0800	8.9472
40	.0700	.1000	7.6824
45	.1000	.1500	6.4298
50	.1800	.2600	3.0490
55	.3600	.4900	.6688
60	.9000	1.2100	.0000
65	.0000	.0000	.0000

Section 2.2 – (Continued)

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Healthy Mortality		Post-Disability Mortality	
	Males	Females	Males	Females
20	.0345	.0191	4.83	2.63
25	.0376	.0207	4.83	2.63
30	.0726	.0293	3.62	2.37
35	.1087	.0519	2.78	2.14
40	.1371	.0878	2.82	2.09
45	.1793	.1387	3.22	2.24
50	.2412	.1963	3.83	2.57
55	.4196	.2795	4.82	2.95
60	.8270	.4949	6.03	3.31
65	1.5539	1.0398	6.78	3.70
70	2.6758	1.8634	7.39	4.11
75	4.3131	3.0887	8.42	4.92
80	7.0547	4.8953	11.28	7.46
85	11.5077	8.3100	16.82	11.28
90	18.1757	13.6686	25.25	16.82
95	25.9466	19.2564	37.89	25.25
100	34.4556	23.7467	56.84	37.89
105	39.7886	29.3116	85.77	56.84
110	40.0000	36.4617	100.00	100.00
115	40.0000	40.0000		
120	100.0000	100.0000		

Section 2.2 – (Continued)

Retirement Decrements

Administration Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25+
Less than 40	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001
41	0.000	0.000	0.000	0.000	0.001
42	0.000	0.000	0.000	0.000	0.001
43	0.000	0.000	0.000	0.000	0.001
44	0.000	0.000	0.000	0.000	0.001
45	0.000	0.000	0.000	0.000	0.001
46	0.000	0.000	0.000	0.000	0.001
47	0.000	0.000	0.000	0.000	0.001
48	0.000	0.000	0.000	0.000	0.001
49	0.000	0.000	0.000	0.000	0.001
50	0.000	0.000	0.000	0.000	0.125
51	0.000	0.000	0.000	0.000	0.125
52	0.000	0.000	0.000	0.000	0.125
53	0.000	0.000	0.000	0.000	0.125
54	0.000	0.000	0.000	0.000	0.125
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.200	0.200	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Administration Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25+
Less than 40	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001
41	0.000	0.000	0.000	0.000	0.001
42	0.000	0.000	0.000	0.000	0.001
43	0.000	0.000	0.000	0.000	0.001
44	0.000	0.000	0.000	0.000	0.001
45	0.000	0.000	0.000	0.000	0.001
46	0.000	0.000	0.000	0.000	0.001
47	0.000	0.000	0.000	0.000	0.001
48	0.000	0.000	0.000	0.000	0.001
49	0.000	0.000	0.000	0.000	0.001
50	0.000	0.000	0.000	0.000	0.125
51	0.000	0.000	0.000	0.000	0.125
52	0.000	0.000	0.000	0.000	0.125
53	0.000	0.000	0.000	0.000	0.125
54	0.000	0.000	0.000	0.000	0.125
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.200	0.200	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Administration for Tiers 2 and 3

Age/Service	< 5	5 to 9	10 to 19	20 to 24	25+
Less than 55	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.500	0.500	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Age/Service	< 5	5 to 9	10 to 20	20 to 24	25	26	27	28	29 +
Less than 55	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.200	0.200	0.200	0.200	0.200
56	0.000	0.000	0.050	0.050	0.200	0.400	0.400	0.400	0.400
57	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.600	0.600
58	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	0.800
59	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
60	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
61	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
62	0.000	0.000	0.250	1.000	1.000	1.000	1.000	1.000	1.000
63	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000	1.000
64	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000	1.000
65	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
66	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
67	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
68	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
69	0.000	0.100	0.100	1.000	1.000	1.000	1.000	1.000	1.000
70+	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Other Assumptions

Years of Service Subsequent to the Valuation Date

It is assumed that each participant will earn one year of service in each future year.

Assumed Age of Commencement for Deferred Vested Benefits

Age 65

Assumed Age of Commencement for Disabled Benefits

Age 55

Actuarial Value of Assets

The Actuarial Value of Assets is equal to the Market Value plus any employee and/or employer contributions due for the plan year.

Section 2.3 – Census Data

Description of Participant Data

The valuation was based on information provided by the City of Franklin as of January 1, 2015.

Active employee information consisted of:

- Name
- Employee Identification Number
- Gender
- Date of Birth
- Date of Hire
- 2014 Compensation

Compensation was supplied on an Excel file showing each element of the definition of compensation to reconcile the compensation as reported on the Form W-2 and other reports.

- Post-Tax Contributions for 2014
- Pre-Tax Contributions for 2014
- Mandatory Contribution the pension plan for 2014
- Mandatory Contribution to 401a – defined contribution plan for 2014
- 457 contribution for 2014
- Money Purchase Contribution for 2014

Section 2.3 – (Continued)

	Active Participants	Inactive Participants			Total	Expected
		Terminated Deferred Benefits	Disabled With Deferred Benefits	Receiving Benefits		
As of January 1, 2014	562	137	4	138	841	
Changes in Status:						
a. Age Retirements	(12)	(3)	0	15	0	17
b. Disability Terminations	0	0	0	0	0	1
c. Deaths Without Benefits	0	0	0	(1)	(1)	(1)
d. Deaths With Benefits	0	0	0	(1)	(1)	1
e. Non-Vested Terminations	(4)	xxx	xxx	0	(4)	(7)
f. Vested Terminations	(15)	15	0	xxx	0	(20)
g. Expiration of Benefits	xxx	xxx	xxx	0	0	
h. Lump Sums	0	(1)	0	0	(1)	
i. Data Correction	0	(2)	0	3	1	
j. New Entrants	29	0	xxx	0	29	
Net Change	(2)	9	0	17	24	
As of December 31, 2014	560	146	4	155	865	

Participant Data Reconciliation

As of January 1, 2014

Changes in Status:

a. Age Retirements

b. Disability Terminations

c. Deaths Without Benefits

d. Deaths With Benefits

e. Non-Vested Terminations

f. Vested Terminations

g. Expiration of Benefits

h. Lump Sums

i. Data Correction

j. New Entrants

Net Change

As of December 31, 2014

Section 3 – Supplemental Information

Section 3.1 shows historical information of the plan.

Section 3.2 presents demographic profiles of active participants.

Section 3.2 – Active Participant Demographic Tables

The following demographic tables are presented for the four classifications of participants.

- Table A - Annual Earnings by Age Groups
- Table B - Annual Earnings by Service Groups
- Table C - Service Groups by Age Groups
- Schedule of Annual Benefits for Non-Active Participants

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE A
ANNUAL EARNINGS BY AGE GROUPS**

Age Group	Tier 1			Tier 2			Tier 3			ABL		
	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	4	83,501	20,875	4	83,501	20,875
25-29	1	34,333	34,333	6	293,659	48,943	18	576,433	32,024	25	904,425	36,177
30-34	29	1,461,597	50,400	38	1,940,645	51,070	13	490,468	37,728	80	3,892,709	48,659
35-39	47	2,286,209	48,643	23	1,119,227	48,662	11	361,293	32,845	81	3,766,729	46,503
40-44	82	4,537,995	55,341	24	1,164,698	48,529	14	410,670	29,334	120	6,113,363	50,945
45-49	58	3,372,392	58,145	11	581,393	52,854	8	297,057	37,132	77	4,250,842	55,206
50-54	50	2,765,291	55,306	15	682,953	45,530	9	260,926	28,992	74	3,709,170	50,124
55-59	38	1,973,795	51,942	8	430,696	53,837	6	194,481	32,414	52	2,598,972	49,980
60-64	22	1,262,066	57,367	8	404,000	50,500	5	172,966	34,593	35	1,839,032	52,544
65-69	9	661,886	73,543	0	0	0	1	43,399	43,399	10	705,285	70,528
70-74	0	0	0	0	0	0	0	0	0	0	0	0
75-79	1	40,652	40,652	1	52,169	52,169	0	0	0	2	92,821	46,411
80-84	0	0	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	337	\$18,396,215	\$54,588	134	\$6,669,441	\$49,772	89	\$2,891,193	\$32,485	560	\$27,956,848	\$49,923

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE B
ANNUAL EARNINGS BY SERVICE GROUPS**

Service Group	Tier 1			Tier 2			Tier 3			ALL		
	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-4	0	0	0	3	194,814	64,938	89	2,891,182	32,485	92	3,085,996	33,543
5-9	56	2,843,283	50,773	131	6,474,626	49,425	0	0	0	187	9,317,909	49,828
10-14	134	6,751,556	50,385	0	0	0	0	0	0	134	6,751,556	50,385
15-19	86	4,885,709	56,811	0	0	0	0	0	0	86	4,885,709	56,811
20-24	28	1,868,860	66,745	0	0	0	0	0	0	28	1,868,860	66,745
25-29	27	1,687,474	62,499	0	0	0	0	0	0	27	1,687,474	62,499
30-34	3	183,870	61,290	0	0	0	0	0	0	3	183,870	61,290
35-39	3	175,464	58,488	0	0	0	0	0	0	3	175,464	58,488
40+	0	0	0	0	0	0	0	0	0	0	0	0
Total	337	\$18,396,215	\$54,588	134	\$6,669,441	\$49,772	89	\$2,891,182	\$32,485	560	#####	\$49,923

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE C FOR TIER 1
SERVICE GROUPS BY AGE GROUPS**

AGE GROUP	Service Group										40+ TOTAL	Percentage	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL			
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	1	0	0	0	0	0	0	0	0	1	29	0.3%
30-34	0	11	18	0	0	0	0	0	0	0	0	47	8.6%
35-39	0	10	28	9	0	0	0	0	0	0	0	82	13.9%
40-44	0	13	27	35	7	0	0	0	0	0	0	58	24.3%
45-49	0	5	21	19	7	6	0	0	0	0	0	50	17.2%
50-54	0	5	13	9	9	13	1	0	0	0	0	38	14.8%
55-59	0	4	17	7	1	6	1	2	0	1	0	22	11.3%
60-64	0	6	8	4	1	2	0	0	0	0	0	9	6.5%
65-69	0	0	2	3	3	0	1	0	0	0	0	0	2.7%
70-74	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	0	0	1	0.3%
80-84	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
85+	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	0	56	134	86	28	27	3	3	0	0	0	337	100.0%
	0.0%	16.6%	39.8%	25.5%	8.3%	8.0%	0.9%	0.9%	0.0%	0.0%	0.0%	100.0%	

	Number	Average Age	Average Service
General Employee	155	50	15
Fire	93	22	16
Police	89	45	16
Total	337	47	16
		43	

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C TIRE 2 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group										40+ TOTAL	Percentage	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL			
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	6	0	0	0	0	0	0	0	0	0	6	4.5%
30-34	1	37	0	0	0	0	0	0	0	0	0	38	28.4%
35-39	0	23	0	0	0	0	0	0	0	0	0	23	17.2%
40-44	0	24	0	0	0	0	0	0	0	0	0	24	17.9%
45-49	0	11	0	0	0	0	0	0	0	0	0	11	8.2%
50-54	1	14	0	0	0	0	0	0	0	0	0	15	11.2%
55-59	0	8	0	0	0	0	0	0	0	0	0	8	6.0%
60-64	1	7	0	0	0	0	0	0	0	0	0	8	6.0%
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
70-74	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	0	0	1	0.7%
80-84	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
85+	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	3	131	0	134	100.0%								
	2.2%	97.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

	Number	Average Age	Average Service
General	75	45	7
Fire	31	38	7
Police	28	36	7
Total	134	42	7

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 3
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group										TOTAL	Percentage	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL			
0-19	1	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	3	0	0	0	0	0	0	0	0	0	0	4	6.3%
25-29	18	0	0	0	0	0	0	0	0	0	0	14	22.2%
30-34	13	0	0	0	0	0	0	0	0	0	0	11	17.5%
35-39	11	0	0	0	0	0	0	0	0	0	0	6	9.5%
40-44	14	0	0	0	0	0	0	0	0	0	0	12	19.0%
45-49	8	0	0	0	0	0	0	0	0	0	0	5	7.9%
50-54	9	0	0	0	0	0	0	0	0	0	0	5	7.9%
55-59	6	0	0	0	0	0	0	0	0	0	0	3	4.8%
60-64	5	0	0	0	0	0	0	0	0	0	0	2	3.2%
65-69	1	0	0	0	0	0	0	0	0	0	0	1	1.6%
70-74	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
80-84	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
85+	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	89	0	63	100.0%									
	141.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

	Number	Average Age	Average Service
General City	61	42	1.6
Fire	11	31	2.6
Police	<u>17</u>	<u>40</u>	<u>2</u>
	89	41	2
			100%

Section 3.2 – Active Participant Demographic Tables – (Continued)

**TABLE C FOR TIER 4 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS**

AGE GROUP	Service Group										40+ TOTAL	Percentage	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL			
0-19	5	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	11	0	0	0	0	0	0	0	0	0	0	5	6.7%
25-29	18	0	0	0	0	0	0	0	0	0	0	11	14.7%
30-34	13	0	0	0	0	0	0	0	0	0	0	19	25.3%
35-39	8	0	0	0	0	0	0	0	0	0	0	13	17.3%
40-44	2	0	0	0	0	0	0	0	0	0	0	8	10.7%
45-49	2	0	0	0	0	0	0	0	0	0	0	2	2.7%
50-54	11	0	0	0	0	0	0	0	0	0	0	2	2.7%
55-59	5	0	0	0	0	0	0	0	0	0	0	11	14.7%
60-64	0	0	0	0	0	0	0	0	0	0	0	5	6.7%
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
70-74	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
80-84	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
85+	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	75	0	75	100.0%									

	Number	Age	Service
General City Employees	56	40	1.5
Fire	13	33	1.8
Police	7	46	1.4
Total	76	40	1.6

Section 3.2 – Active Participant Demographic Tables – (Continued)

SCHEDULE OF ANNUAL BENEFITS FOR NON-ACTIVE PARTICIPANTS

Age	Terminated Vested		Disabled		Retired	
	Number	Benefit	Number	Benefit	Number	Benefit
Under 45	48	387,197	0	0	1	20,667
45 to 49	29	220,441	0	0	4	123,850
50 to 54	15	136,861	0	0	14	459,579
55 to 59	23	154,405	0	0	21	609,203
60 to 64	22	129,423	1	6,826	25	721,519
65 to 69	7	12,899	2	12,560	42	845,387
70 to 74	2	392	1	8,025	19	221,398
75 to 79	0	0	0	0	14	175,564
80 to 84	0	0	0	0	9	139,041
85 to 89	0	0	0	0	3	37,355
90 & up	0	0	0	0	3	13,953
Total	146	\$ 1,041,618	4	\$ 27,411	155	\$ 3,367,517

Average Age	50.8	67.0	66.6
--------------------	-------------	-------------	-------------

Average Annual Benefit	\$ 7,134	\$ 6,853	\$ 21,726
-------------------------------	-----------------	-----------------	------------------