

ACUFF & ASSOCIATES
The Retirement Plan Authority

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

Actuarial Valuation Report As of January 1, 2014

Prepared for

CITY OF FRANKLIN EMPLOYEES' PENSION PLAN AND TRUST

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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, 2014
2. Review experience under the plan for the period ended December 31, 2013
3. Provide to the City the recommended contribution under the plan for the City's fiscal year beginning July 1, 2014
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: employee 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 1 contains the results of the valuation. It includes the experience for the plan year ending December 31, 2013, the current annual costs, plan reporting, and disclosure information.

Introduction (Continued)

Section 1.4 shows the determination of the City's recommended contribution for the fiscal year beginning July 1, 2014.

	07/01/2014	4 Quarterly Contributions
Recommended Contribution	\$ 2,354,417	\$ 2,417,920
As a Percent of Expected Covered Payroll	8.58%	8.81%

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, 2014, submitted by the City, which appears to be reasonable and sufficient for the purpose of this report
- Asset information as of December 31, 2013, reported by Sun 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.

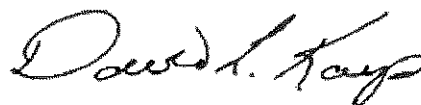
The undersigned are available to answer any questions with respect to this report.

Respectfully submitted,

Acuff & Associates, Inc.

June 19, 2014

Date Signed



David F. Kays, ASA, MAAA

June 19, 2014

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	
	01/01/2014	01/01/2013
Number of Participants Included in Valuation		
Active Participants	562	572
Vested Terminated Participants	137	123
Disabled Participants	4	4
Retired Participants and Beneficiaries	<u>138</u>	<u>128</u>
Total	<u>841</u>	<u>827</u>
Expected Covered Payroll for Participants Included in the Valuation	\$ 27,440,025	\$ 28,902,947
 <u>Summary of Actuarial Results</u>		
Present Value of Benefits	\$ 101,820,337	\$ 100,398,225
Actuarial Accrued Liability	88,763,576	82,610,248
Unfunded Actuarial Accrued Liability	4,291,887	19,077,783
Net Normal Cost	\$ 1,859,464	\$ 1,988,187
Normal Cost Rate	6.78 %	6.88 %
Recommended Contribution Paid Quarterly As a Percent of Payroll	\$ 2,417,920 8.81 %	\$ 4,033,372 13.95 %
 <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	\$ 84,471,689	\$ 63,532,465
Actuarial Present Value of Accumulated Plan Benefits	\$ 77,113,277	\$ 69,278,944
Funding Ratio	109.54 %	91.71 %

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 calculation of normal cost.

Section 1.3 shows the actuarial experience.

Section 1.4 shows the development of funding alternatives.

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, 2013	\$	62,469,548
2.	Contributions and Disbursements		
	a. Employer Contributions	\$	15,072,104
	b. Employee Contributions		320,785
	c. Benefit Payments		(2,967,913)
	d. Expense		(346,821)
	e. Transferred		<u>0</u>
	f. Net	\$	12,078,155
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>9,923,986</u>
4.	Market Value of Trust as of December 31, 2013 (1) + (2f) + (3e)	\$	84,471,689
5.	Employee Contributions Receivable	\$	0
6.	Employer Contributions Receivable		<u>0</u>
7.	Actuarial Value of Assets as of December 31, 2013 (4) + (5) + (6)	\$	84,471,689
8.	Rate of Return		14.49 %
9.	Rate of Return Net of Expenses		13.94 %

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 01/01/2013	\$ 4,987,387.95	\$ 276,667.23	\$ 0.00	\$ 5,264,055.18
2. Employee Contributions	242,802.87	12,539.05	0.00	255,341.92
3. Interest Credited	301,645.28	13,769.30	0.00	315,414.58
4. Payouts	(219,313.87)	(54,517.03)	0.00	(273,830.90)
5. Adjustments	0.00	0.00	0.00	0.00
6. Totals as of 12/31/2013	\$ 5,312,522.23	\$ 248,458.55	\$ 0.00	\$ 5,560,980.78

Mandatory Employee Contributions

	<u>Total Accumulated</u>	<u>2013 Contribution</u>
Tier 3	\$153,398	\$97,606
Tier 4	\$100,096	\$86,636

Section 1.2 – Normal Cost

The following schedule shows the development of the Normal Cost at the current valuation date.

	2014 Valuation @7.5%	2013 Valuation @7.5%
1. Actuarial Accrued Liability		
a. Active Participants	\$ 45,913,957	\$ 43,627,534
b. Cash Balance Accounts	5,560,981	5,264,055
c. Retired Participants and Beneficiaries	33,618,894	30,832,962
d. Vested Terminated Participants	3,501,449	2,724,281
e. Disabled Participants	<u>168,295</u>	<u>161,416</u>
Total	\$ 88,763,576	\$ 82,610,248
2. Actuarial Value of Assets	<u>84,471,689</u>	<u>63,532,465</u>
3. Unfunded Actuarial Accrued Liability	\$ 4,291,887	\$ 19,077,783
4. Contribution		
a. Normal Cost	\$ 1,977,349	\$ 2,137,607
b. Expected Employee Contribution	<u>(117,885)</u>	<u>(149,420)</u>
c. Net Normal Cost	\$ 1,859,464	\$ 1,988,187
d. As a Percent of Pay	6.78 %	6.88 %
e. 18 Year Amortization Payment	\$ 411,338	\$ 1,799,774
f. January 1, Payment	\$ 2,270,802	\$ 3,787,961
c. + e.		
g. December 31, Payment	\$ 2,441,112	\$ 4,072,058
f.*1.075		
h. Estimated Covered Payroll	\$ 27,440,025	\$ 28,902,947
i. As a Percent of Covered Payroll	8.90 %	14.09 %

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 gain of \$4.4 Million. An asset gain of \$5.1 Million was due to return on assets exceeding the assumed rate of return of 7.50%. A liability loss of \$0.7 Million was due to actual experience which differed from other assumptions such rates of mortality, salary increases and retirement.

Section 1.3 – Actuarial Experience - (Continued)

1.	Unfunded Actuarial Accrued Liability/(Surplus) as of 01/01/2013		\$ 19,077,783
2.	Expected Increases During the Year		
	a. Normal Cost Due at the Beginning of the Year	\$ 2,137,607	
	b. Interest for One Year On		
	(i) Normal Cost	\$ 160,321	
	(ii) Unfunded Actuarial Accrued Liability	<u>1,430,834</u>	
	Total Interest (i) + (ii)		<u>1,591,154</u>
	c. Total Expected Increases (a) + (b)		\$ 3,728,761
3.	Expected Decreases During the Year		
	a. Employer Contributions for the Year	\$ 14,009,187	
	b. Interest on Employer Contributions from Dates Made to the End of the Year	<u>131,336</u>	
	c. Total Expected Decreases (a) + (b)		\$ <u>14,140,523</u>
4.	Expected Unfunded Actuarial Accrued Liability/(Surplus) at End of Year (1) + (2c) - (3c)		\$ 8,666,021
5.	Actual Unfunded Actuarial Accrued Liability/(Surplus)		<u>4,291,887</u>
6.	Actuarial Experience Gain/(Loss) for the Year		\$ <u><u>4,374,134</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, 2014, the following is the determination of the recommended contribution amount for the City's fiscal year beginning July 1, 2014.

The recommended contribution is the Normal Cost plus 18 year amortization of the current unfunded accrued liability, plus 20 year amortization of any future actuarial gains or losses after 2014, plus interest to the date the contribution is actually deposited.

Recommended Quarterly Contribution

Recommended Contribution Schedule	2014 Valuation	2013 Valuation
1. Normal Cost as of January 1, 2014	\$ 1,859,464	\$ 1,988,187
18-year Amortization	<u>411,338</u>	<u>1,799,774</u>
2. Recommended Contribution at January 1, 2014	\$ 2,270,802	\$ 3,787,961
3. Recommended Contribution July 1, 2014	\$ 2,354,417	\$ 3,927,442
4. As a Percent of Expected Covered Payroll	8.58 %	13.59 %
5. Interest to December 31, 2014	\$ 170,310	\$ 284,097
6. Recommended Contribution December 31, 2014	\$ 2,441,112	\$ 4,072,058
7. As a Percent of Expected Covered Payroll	8.90 %	14.09 %
8. Quarterly Contributions		
July 1, 2014	\$ 604,480	\$ 1,008,343
October 1, 2014	604,480	1,008,343
January 1, 2015	604,480	1,008,343
April 1, 2015	<u>604,480</u>	<u>1,008,343</u>
Total	\$ 2,417,920	\$ 4,033,372
9. As a Percent of Expected Covered Payroll	8.81 %	13.95 %

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	18	\$4,291,887	\$4,291,887	\$411,338
Total				\$4,291,887	\$411,338

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

Determine 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 and 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	6.00%
2006	6.00%
2007	6.00%
2008	6.00%
2009	6.00%
2010	6.00%
2011	6.00%
2012	6.00%
2013	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)

Fire and Police Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25	26	27	28	29 +
Less than 40	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
41	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
42	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
43	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
44	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
45	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
46	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
47	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
48	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
49	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001
50	0.000	0.000	0.000	0.000	0.200	0.200	0.200	0.200	0.200
51	0.000	0.000	0.000	0.000	0.200	0.400	0.400	0.400	0.400
52	0.000	0.000	0.000	0.000	0.200	0.400	0.600	0.600	0.600
53	0.000	0.000	0.000	0.000	0.200	0.400	0.600	0.800	0.800
54	0.000	0.000	0.000	0.000	0.200	0.400	0.600	0.800	1.000
55	0.000	0.000	0.100	0.100	0.200	0.400	0.600	0.800	1.000
56	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
57	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
58	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
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	0.500	1.000	1.000	1.000	1.000	1.000
63	0.000	0.000	0.150	0.250	1.000	1.000	1.000	1.000	1.000
64	0.000	0.000	0.150	0.250	1.000	1.000	1.000	1.000	1.000
65	0.000	0.500	0.500	0.500	1.000	1.000	1.000	1.000	1.000
66	0.000	0.500	0.500	0.500	1.000	1.000	1.000	1.000	1.000
67	0.000	0.500	0.500	0.500	1.000	1.000	1.000	1.000	1.000
68	0.000	0.500	0.500	0.500	1.000	1.000	1.000	1.000	1.000
69	0.000	0.200	0.200	0.500	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)

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)

Police and Fire Tiers 2 and 3

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

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, 2014.

Active employee information consisted of:

- Name
- Employee Identification Number
- Gender
- Date of Birth
- Date of Hire
- 2013 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 2013
- Pre-Tax Contributions for 2013
- Mandatory Contribution the pension plan for 2013
- Mandatory Contribution to 401a – defined contribution plan for 2013
- 457 contribution for 2013
- Money Purchase Contribution for 2013

Section 2.3 – (Continued)

	Active Participants	Inactive Participants			Total	Expected
		Terminated Deferred Benefits	Disabled With Deferred Benefits	Receiving Benefits		
1. As of January 1, 2013	572	123	4	128	827	
2. Changes in Status:						
a. Age Retirements	(13)	(2)	0	15	0	19
b. Disability Terminations	0	0	0	0	0	1
c. Deaths Without Benefits	(1)	0	0	(5)	(6)	3
d. Deaths With Benefits	0	0	0	(4)	(4)	2
e. Non-Vested Terminations	(6)	xxx	xxx	0	(6)	7
f. Vested Terminations	(17)	17	0	xxx	0	24
g. Expiration of Benefits	xxx	xxx	xxx	0	0	
h. Lump Sums	0	0	0	0	0	0
i. Data Correction	0	0	0	0	0	
j. New Entrants	27	(1)	xxx	0	26	0
3. Net Change	(10)	14	0	10	14	56
4. As of December 31, 2013	562	137	4	138	841	

Participant Data Reconciliation

1. As of January 1, 2013
2. 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
3. Net Change
4. As of December 31, 2013

Section 3 – Supplemental Information

Section 3.1 shows historical information of the plan.

Section 3.2 presents demographic profiles of active participants.

Section 3.1 – Historical Yearly Comparison

	01/01/2010	01/01/2011	01/01/2012	01/01/2013	01/01/2014
Number of Active Participants	609	586	591	572	562
Expected Payroll	\$ 29,389,265	\$ 27,958,552	\$ 29,869,786	\$ 28,902,947	\$ 27,440,025
Average Earnings	\$ 52,858	\$ 50,285	\$ 53,723	\$ 51,984	\$ 49,353
Number of Active Participants Age 65 or Over	8	8	14	13	13
Number of Retired Participants and Beneficiaries	100	110	121	128	138
Pensions to be Paid	\$ 1,702,249	\$ 2,029,872	\$ 2,286,300	\$ 2,653,331	\$ 2,892,206
Number of Vested Terminated Participants	99	109	114	123	137
Annual Pensions to be Paid	\$ 637,925	\$ 718,321	\$ 744,140	\$ 811,172	\$ 921,619
Number of Disabled Participants	5	4	4	4	4
Annual Pensions to be Paid	\$ 27,735	\$ 27,735	\$ 26,302	\$ 26,750	\$ 27,075
Present Value of Benefits	\$ 81,721,441	\$ 86,512,092	\$ 95,385,041	\$ 100,695,151	\$ 101,820,337
Present Value of Accumulated Benefits	\$ 51,465,753	\$ 57,900,531	\$ 64,505,222	\$ 69,575,870	\$ 77,113,277
Actuarial Value of Assets	\$ 43,406,020	\$ 54,086,646	\$ 55,241,467	\$ 63,532,465	\$ 84,471,689
Normal Cost Rate	16.8 %	15.1 %	6.4 %	6.9 %	6.8 %
Normal Cost	\$ 4,949,182	\$ 4,212,627	\$ 1,908,874	\$ 1,988,187	\$ 1,859,464
Recommended Contribution as of July 1/Quarterly	\$ 5,282,084	\$ 4,495,984	\$ 4,251,668	\$ 4,033,372	\$ 2,417,920
Contribution as rate of Payroll	18.0 %	16.1 %	14.2 %	14.0 %	8.8 %
Actual Contribution	\$ 5,297,661	\$ 5,970,383	\$ 3,188,751	\$ 15,072,104	\$ N/A
			Pension Obligation Bond	9,975,815	

¹ Funding Method Changed for 2012

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

**TABLE A
ANNUAL EARNINGS BY AGE GROUPS**

Age 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
0-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	4	76,619	19,155	4	76,619	19,155
25-29	2	81,054	40,527	11	492,101	44,736	14	478,052	34,147	27	1,051,207	38,934
30-34	41	1,931,968	47,121	37	1,776,456	48,012	11	356,202	32,382	89	4,064,625	45,670
35-39	48	2,325,556	48,449	22	1,020,643	46,393	6	165,894	27,649	76	3,512,094	46,212
40-44	87	4,615,661	53,054	29	1,302,088	44,900	12	359,191	29,933	128	6,276,939	49,039
45-49	61	3,329,729	54,586	11	679,805	61,800	5	196,087	39,217	77	4,205,621	54,618
50-54	45	2,440,468	54,233	15	622,794	41,520	5	132,554	26,511	65	3,195,816	49,166
55-59	40	2,045,856	51,146	7	377,038	53,863	3	113,312	37,771	50	2,536,207	50,724
60-64	24	1,501,173	62,549	9	436,853	48,539	2	80,944	40,472	35	2,018,970	57,685
65-69	8	368,825	46,103	0	0	0	1	42,018	42,018	9	410,842	45,649
70-74	0	0	0	1	51,202	51,202	0	0	0	1	51,202	51,202
75-79	1	39,882	39,882	0	0	0	0	0	0	1	39,882	39,882
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	357	18,680,173	52,325	142	6,758,978	47,598	63	2,000,873	31,760	562	27,440,025	48,826

**TABLE B
ANNUAL EARNINGS BY SERVICE GROUPS**

Service Group	Tier 1			Tier 2			Tier 3			AHL		
	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	13	782,713	60,209	63	2,000,873	31,760	76	2,783,586	36,626
5-9	93	4,584,943	49,300	129	5,976,265	46,328	0	0	0	222	10,561,207	47,573
10-14	126	6,081,562	48,266	0	0	0	0	0	0	126	6,081,562	48,266
15-19	80	4,446,784	55,585	0	0	0	0	0	0	80	4,446,784	55,585
20-24	25	1,576,793	63,072	0	0	0	0	0	0	25	1,576,793	63,072
25-29	26	1,531,803	58,915	0	0	0	0	0	0	26	1,531,803	58,915
30-34	5	361,414	72,283	0	0	0	0	0	0	5	361,414	72,283
35-39	2	96,875	48,437	0	0	0	0	0	0	2	96,875	48,437
40+	0	0	0	0	0	0	0	0	0	0	0	0
Total	357	18,680,173	52,325	142	6,758,978	47,598	63	2,000,873	31,760	562	27,440,025	48,826

**TABLE C FOR TIER I
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	2	0	0	0	0	0	0	0	0	0	2	0.6%
30-34	0	28	13	0	0	0	0	0	0	0	0	41	11.5%
35-39	1	22	21	4	0	0	0	0	0	0	0	48	13.4%
40-44	0	19	34	29	5	0	0	0	0	0	0	87	24.4%
45-49	0	14	17	15	9	6	0	0	0	0	0	61	17.1%
50-54	0	6	14	9	7	8	1	0	0	0	0	45	12.6%
55-59	1	15	8	3	3	7	1	2	0	0	0	40	11.2%
60-64	0	10	5	4	1	3	1	0	0	0	0	24	6.7%
65-69	0	1	3	4	0	0	0	0	0	0	0	8	2.2%
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	2	118	115	68	25	24	3	2	0	0	0	357	100.0%
	0.6%	33.1%	32.2%	19.0%	7.0%	6.7%	0.8%	0.6%	0.0%	0.0%	0.0%	100.0%	

	Number	Average Age	Average Service
General Employee	168	49	13
Fire	96	44	14
Police	93	44	14
Total	357	46	14

**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	6	5	0	0	0	0	0	0	0	0	19	19	13.4%
30-34	17	20	0	0	0	0	0	0	0	0	26	26	18.3%
35-39	6	16	0	0	0	0	0	0	0	0	21	21	14.8%
40-44	12	17	0	0	0	0	0	0	0	0	21	21	14.8%
45-49	8	3	0	0	0	0	0	0	0	0	13	13	9.2%
50-54	7	8	0	0	0	0	0	0	0	0	11	11	7.7%
55-59	3	4	0	0	0	0	0	0	0	0	4	4	2.8%
60-64	3	6	0	0	0	0	0	0	0	0	3	3	2.1%
65-69	0	0	0	0	0	0	0	0	0	0	1	1	0.7%
70-74	0	1	0	0	0	0	0	0	0	0	2	2	1.4%
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	62	80	0	0	0	0	0	0	0	0	142	142	100.0%
	43.7%	56.3%	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	82	45	5 58.00%
Fire	31	37	5 21.83%
Police	29	36	5 20.42%
	142	42	5

**TABLE C FOR TIRE 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	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	4	0	0	0	0	0	0	0	0	0	0	4	6.3%
25-29	14	0	0	0	0	0	0	0	0	0	0	14	22.2%
30-34	11	0	0	0	0	0	0	0	0	0	0	11	17.5%
35-39	6	0	0	0	0	0	0	0	0	0	0	6	9.5%
40-44	12	0	0	0	0	0	0	0	0	0	0	12	19.0%
45-49	5	0	0	0	0	0	0	0	0	0	0	5	7.9%
50-54	5	0	0	0	0	0	0	0	0	0	0	5	7.9%
55-59	3	0	0	0	0	0	0	0	0	0	0	3	4.8%
60-64	2	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	63	0	0	0	0	0	0	0	0	0	0	63	100.0%

		Average age	
	number	age	
General City	39	42	1.6
Fire	13	33	1.5
Police	<u>11</u>	<u>34</u>	<u>2</u>
	63	39	1.7
			100%

**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	Percentage		
0-19	0	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	6	0	0	0	0	0	0	0	0	0	6	10.7%
25-29	10	0	0	0	0	0	0	0	0	0	10	17.9%
30-34	12	0	0	0	0	0	0	0	0	0	12	21.4%
35-39	9	0	0	0	0	0	0	0	0	0	9	16.1%
40-44	8	0	0	0	0	0	0	0	0	0	8	14.3%
45-49	2	0	0	0	0	0	0	0	0	0	2	3.6%
50-54	2	0	0	0	0	0	0	0	0	0	2	3.6%
55-59	6	0	0	0	0	0	0	0	0	0	6	10.7%
60-64	1	0	0	0	0	0	0	0	0	0	1	1.8%
65-69	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%
75-79	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%
85+	0	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	56	0	0	0	0	0	0	0	0	0	56	100.0%

	Number	Age	Service
General City Employees	37	47	1.2
Fire	12	33	1.1
Police	7	37	1
Total	56	37	1.2

	Number	Age	Service
General City Employees	37	47	1.2
Fire	12	33	1.1
Police	7	37	1
Total	56	37	1.2

SCHEDULE OF ANNUAL BENEFITS FOR NON-ACTIVE PARTICIPANTS

Age	Terminated Vested		Disabled		Retired	
	Number	Benefit	Number	Benefit	Number	Benefit
Under 45	43	330,785	0	0	0	0
45 to 49	20	147,150	0	0	7	220,175
50 to 54	16	138,299	0	0	11	344,669
55 to 59	24	158,512	0	0	18	509,431
60 to 64	23	139,802	1	6,826	23	609,830
65 to 69	5	6,679	3	20,249	35	677,538
70 to 74	1	392	0	0	16	181,807
75 to 79	0	0	0	0	12	158,450
80 to 84	0	0	0	0	12	172,563
85 to 89	0	0	0	0	3	15,093
90 & up	0	0	0	0	1	2,650
Total	132	\$ 921,619	4	\$ 27,075	138	\$ 2,892,206

Average Age	50.4	66.0	66.6
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Average Annual Benefit	\$ 6,982	\$ 6,769	\$ 20,958
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