

**ACTUARIAL VALUATION  
REPORT  
JULY 1, 2016**



**Municipal Fire & Police  
Retirement System of Iowa**



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September 21, 2016

## PERSONAL AND CONFIDENTIAL

Board of Trustees  
Municipal Fire and Police Retirement System of Iowa  
7155 Lake Drive, Suite 201  
West Des Moines, IA 50266

RE: July 1, 2016 Actuarial Report

Dear Board Members:

We are pleased to submit this actuarial report of the Municipal Fire and Police Retirement System of Iowa. The costs developed and presented in this report are based on asset values as of June 30, 2016, member census data as of July 1, 2016 and current System provisions, all of which were supplied by the Municipal Fire & Police Retirement System of Iowa.

The purposes of the actuarial report are:

1. To determine the normal contribution rate that is payable by the Cities under Chapter 411 of the Code of Iowa;
2. To determine the funded status of the System; and
3. To provide information relating to the disclosure requirements of the Governmental Accounting Standards Board (GASB) Statement No. 67 – Financial Reporting for Defined Benefit Pension Plans (an amendment of GASB Statement No. 25).

All costs and liabilities were determined in accordance with generally accepted actuarial principles and procedures and are based on the actuarial assumptions and methods prescribed by the Board of Trustees in accordance with Iowa State Code Section 411.5.10-11. To the best of our knowledge, the information supplied in this report is complete and accurate and in my opinion, the assumptions are reasonably related to the experience of the System and to reasonable expectations under the System. The amounts presented in the accompanying report have been determined appropriately according to the actuarial assumptions and methods stated herein, and fully and fairly disclose the actuarial position of the System. The undersigned meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained in this report.

Sincerely,



Glen C. Gahan, FSA  
Principal  
Member of American Academy  
of Actuaries  
Enrolled Actuary No. 14-4875



Michael S. Ehmke, ASA  
Principal  
Member of American Academy  
of Actuaries  
Enrolled Actuary No. 14-5811

GCG/MSE/je

Enclosure

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## Report Highlights

This section compares results of the current and prior two actuarial valuations. Additional supporting detail is available in other sections of the report. The Table of Contents on the prior page identifies the location of the supporting detail.

	As of July 1,		
	2014	2015	2016
<b>Cities Recommended Contribution</b>	\$ 73,941,905	\$ 70,844,369	\$ 72,838,723
<b>Normal Contribution Rate</b>	27.77%	25.92%	25.68%
<b>Plan Assets</b>			
Market Value	2,278,456,923	2,300,180,355	2,242,546,392
Actuarial Value	2,054,844,278	2,239,539,373	2,333,944,800
<b>Prior Year Investment Return</b>			
Market Value	18.47%	3.07%	0.01%
Actuarial Value	12.96%	11.43%	6.88%
<b>Actuarial Accrued Liability</b>	2,640,955,176	2,769,994,684	2,867,807,326
Funded Ratio*	77.81%	80.85%	81.38%
<b>Annual Participating Payroll</b>	266,265,413	273,319,323	283,639,887
<b>Annual Normal Cost</b>	49,893,939	51,366,130	53,423,772
Percent of Payroll	18.74%	18.79%	18.84%
<b>Annual Pension Benefits</b>			
Service Retirement	75,127,236	79,525,488	82,955,208
Disabled Retirement	42,097,668	44,024,136	45,967,620
Vested Retirement	5,136,468	5,747,688	6,196,356
Beneficiaries	<u>16,613,052</u>	<u>17,506,836</u>	<u>17,580,996</u>
Total	138,974,424	146,804,148	152,700,180
<b>Number of Members</b>			
Active	3,885	3,892	3,926
Disabled	1,121	1,121	1,132
Retirees and Beneficiaries	2,775	2,814	2,854
Vested Terminated	<u>321</u>	<u>328</u>	<u>341</u>
Total	8,102	8,155	8,253

\*Based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability.

## Comments on the Valuation

### Cities Recommended Contribution

The recommended contribution to the System was determined using the Entry Age Normal actuarial cost method as adopted by the Board of Trustees for valuation years beginning July 1, 2011. The Aggregate actuarial cost method had been used for years prior to July 1, 2011 to determine the contribution for the System.

We recommend a contribution of \$72,838,723 be made for the 2016 plan year. This is equal to a contribution rate of 25.68% of payroll. This rate assumes that the State of Iowa will contribute approximately \$0 for the 2016 plan year.

The System's normal contribution rate decreased from 25.92% for 2015 to 25.68% for 2016. The System's contribution rate before any adjustment to the minimum contribution rate changed as follows:

July 1, 2015 normal contribution rate:	25.92%
• Increase in contribution rate due to lower State contribution	0.00%
• Plan experience more favorable than assumed	(0.44%)
• Investment experience less favorable than assumed	0.40%
• Changes in System provisions	0.00%
• Change in actuarial cost method	0.00%
• Changes in actuarial assumptions	<u>(0.20%)</u>
Preliminary normal contribution rate:	25.68%
• Increase necessary to meet minimum contribution rate	0.00%
July 1, 2016 normal contribution rate	25.68%

### Changes in System Provisions

All System provisions remained unchanged from the prior year valuation.

### Changes in Actuarial Assumptions

Based on the results of a recent 10-year experience study of inactive member mortality and adoption by the Board of Trustees, the following actuarial assumptions were changed:

- Postretirement mortality changed to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disableds set-forward one year (male only rates), with no projection of future mortality improvement.

### Change in Actuarial Methods

All actuarial cost methods remain unchanged from the prior year valuation.

## Comments on the Valuation

### Government Accounting Standards Board Disclosure

Measurements used to evaluate the funded status of the System are based on procedures set forth by Government Accounting Standards Board (GASB). In an effort to enhance the understandability and usefulness of the pension information that is included in the financial reports of pension plans for state and local governments, GASB has issued Statement No. 67 – Financial Reporting for Pension Plans (an amendment of GASB Statement No. 25), and Statement No. 68 – Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27). Statement No. 67 is effective for fiscal years beginning after June 15, 2013, while Statement No. 68 is effective for fiscal years beginning after June 15, 2014. Statement No. 67 applies to financial reporting by pension plans, while Statement No. 68 applies to accounting and financial reporting by state and local governments for pensions. This report includes information relative to reporting requirements of GASB Statement No. 67, while information relative to reporting requirements of GASB Statement No. 68 is prepared in a separate report.

In addition to two required statements regarding System assets, the statement requires four schedules and accompanying notes disclosing information relative to provisions of the System, assumptions used to measure the total pension liability, the funded status of the System and historical contribution patterns:

- The Schedule of Changes in Net Pension Liability provides changes in the total pension liability, the plan's fiduciary net position and the net pension liability.
- The Schedule of Net Pension Liability provides the net pension liability as a percentage of covered payroll.
- The Schedule of Employer Contributions provides historical information about the Actuarially Determined Contribution (ADC) and the percentage of the ADC that was actually contributed. For the System, the ADC is equal to the normal contribution rate multiplied by the covered payroll for the year. This is the total ADC before any adjustment for minimum contribution rates or state contributions.
- The Schedule of Investment Returns presents the annual money-weighted rate of return on pension plan investments. This information is prepared in a separate report.

## Comments on the Valuation

### Covered Members

*Ages of Active Members* – The average age of the active members has slightly increased. The average age of members included in the valuation was 41.2 for the current year and 41.1 in the prior year.

*Service of Active Members* – The average service of the active members has remained unchanged. The average service of members included in the valuation was 13.8 for the current year and 13.8 in the prior year.

*Participating Compensation and Members* – Total participating compensation increased from \$273,319,323 to \$283,639,887, a 3.8% increase. The number of active members increased from 3,892 in 2015 to 3,926 in 2016.

*Average Annual Compensation* – The average compensation of active members is more than the average compensation for the prior year. The average compensation was \$70,226 for 2015 and \$72,247 in 2016.

*Ages of New Service Retirement Members* – The average age of active members who elected service retirement has remained unchanged. The average age of new service retirements was 58.4 for the current year and 58.4 in the prior year.

### Risk Disclosures

Recent revisions to certain actuarial standards of practice introduced new disclosure requirements, such as describing the funded status of the System on the basis of the market value of assets. In addition, the Actuarial Standards Board is expected to issue a new actuarial standard of practice on risk disclosure. Common measures of risk include the ratio of market value of assets and actuarial accrued liability to participating payroll.

	As of July 1,	
	<u>2015</u>	<u>2016</u>
Market Value Assets	\$2,300,180,355	\$2,242,546,392
Covered Payroll	273,319,323	283,639,887
Ratio	8.42	7.91
Actuarial Accrued Liability	2,769,994,684	2,867,807,326
Covered Payroll	273,319,323	283,639,887
Ratio	10.13	10.11
Market Value Assets	2,300,180,355	2,242,546,392
Actuarial Accrued Liability	2,769,994,684	2,867,807,326
Funded Ratio	83.04%	78.20%

## Actuarial Valuation Results

This section of the report provides information concerning the valuation of System assets and liabilities and determination of recommended contributions. The following is a brief description of the following pages and of how the information is organized.

**Assets** – System assets are amounts that have accumulated and will be used to meet future benefit obligations. In the Assets exhibit, trust fund transactions reported by the System are traced from the prior valuation date to the current valuation date and a statement of market value of assets is presented. In addition, the actuarial value of assets is developed based on the adopted method.

**Actuarial Accrued Liability** – The actuarial accrued liability is equal to the sum of the individual accrued liabilities for all System members. Each member's accrued liability equals the actuarial present value of all future benefits less the actuarial present value of all future normal costs.

**Unfunded Actuarial Accrued Liability** – The unfunded actuarial accrued liability on the valuation date is equal to the excess of the System's actuarial accrued liability over the System's actuarial value of assets.

**Annual Normal Cost** – The annual normal cost is the portion of total System costs assigned to the current plan year by the actuarial cost method.

**Annual Contributions** – The recommended annual contribution is defined by the rate of contribution and covered payroll. The System's contribution rate by statute may not be less than 17% of covered payroll. As of July 1, 2011, the determination changed from the Aggregate cost method to the Entry Age Normal cost method with a 25-year level dollar amortization of unfunded actuarial accrued liability on an open basis. As of July 1, 2013, the determination changed to the Entry Age Normal Method with a 25-year level dollar amortization of unfunded actuarial accrued liability on a closed layered basis. The recommended contribution rate consists of the normal cost plus amortization of the unfunded actuarial accrued liability, less member contributions, less state contributions, divided by the covered payroll.

**Unfunded Accrued Liability Payments** – One of the components included to determine the recommended annual contribution is the unfunded accrued liability payment. The unfunded accrued liability payment is an annual amount that will amortize the initial unfunded accrued liability and any subsequent annual changes in the unfunded accrued liability due to System amendments, changes in actuarial assumptions and actuarial gains/losses.

**Actuarial Gain/(Loss)** – Actuarial gains and losses indicate the extent to which actual experience is deviating from that expected on the basis of the actuarial assumptions. Actuarial gains result from experience more favorable than assumed and reduce the unfunded actuarial accrued liability. Actuarial losses result from experience less favorable than assumed and increase the unfunded actuarial accrued liability.

**Actuarial Present Value of Accrued Benefits** – Another objective of preparing the actuarial valuation is to evaluate the funding status of the System. A comparison of the market value of assets with the actuarial present value of accrued benefits is displayed for the current and prior year.



**Actuarial Valuation Results**  
**Assets – Market Value**  
**Year Ending June 30, 2016**

<b>Market Value of Assets at June 30, 2015</b>		<b>\$2,300,180,355</b>
 <b>Receipts</b>		
Member Contributions	\$ 25,455,597	
Cities Contributions	75,254,727	
State Contributions	0	
Investment Income	17,720,710	
Investment Management Expenses	(17,560,039)	
Other Income	<u>5,172</u>	
<b>Total Receipts</b>		<b>\$ 100,876,167</b>
 <b>Disbursements</b>		
Benefit Payments to Members	\$(155,469,400)	
Termination Withdrawals	(1,097,082)	
Administrative Expenses	(1,728,951)	
Disability Expenses	(165,248)	
Other Expenses	<u>(49,449)</u>	
<b>Total Disbursements</b>		<b>\$ (158,510,130)</b>
<b>Market Value of Assets at June 30, 2016</b>		<b>\$2,242,546,392</b>

**Actuarial Valuation Results**  
**Assets – Market Value**  
**Year Ending June 30, 2016**

**Assets**

Cash	\$ 7,692,232	
U.S. Government Obligations	36,540,236	
U.S. Corporate Fixed Income	36,341,573	
U.S. Equity Securities	379,113,341	
Foreign Equity Securities	331,528,119	
Commingled Fixed Income	201,186,577	
Short-Term Investments	23,540,490	
Real Estate	285,563,595	
Private Equity	473,361,796	
Multi-Strategy Commingled Fund	51,515,754	
Fund of Funds Commingled	431,823,372	
Receivables	4,327,360	
Fixed/Other Assets	188,141	
Pension Related Deferred Outflows	207,439	
Total Assets		\$2,262,930,025

**Liabilities**

Benefits/Refunds Payable	\$(16,780,731)	
Investment Management Expenses Payable	(2,152,250)	
Administrative Expenses Payable	(402,497)	
Net Pension Liability to IPERS	(632,688)	
Payable to Brokers, Net	(268,148)	
Pension Related Deferred Inflows	(147,319)	
Total Liabilities		\$ (20,383,633)
Market Value of Assets at June 30, 2016		\$2,242,546,392

## Actuarial Valuation Results

### Assets – Actuarial Value

Year Ending June 30, 2016

1. Actuarial Value of Assets at July 1, 2015	\$2,239,539,373																																										
2. Contributions for 2015 Plan Year (Members, Cities and State)	100,710,324																																										
3. Benefit distributions and refunds for 2015 plan year	(156,566,482)																																										
4. Noninvestment Expenses																																											
a. Administrative Expenses	(1,728,951)																																										
b. Disability Expenses	(165,248)																																										
c. Other Expenses	<u>(49,449)</u>																																										
d. Total	(1,943,648)																																										
5. Expected return on Market Value of Assets for year at 7.5%	170,385,218																																										
6. Asset gains/(losses) for prior five plan years																																											
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center;">(i) Asset gain or (loss)</th> <th style="width: 10%; text-align: center;">Years Recognized</th> <th style="width: 10%; text-align: center;">Years Remaining</th> <th style="width: 15%; text-align: center;">(ii) Recognition Percentage</th> <th style="width: 10%; text-align: center;">(i) x (ii) Recognized Amount</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">a. 2015</td> <td style="text-align: right;">\$ (170,219,375)</td> <td style="text-align: center;">1</td> <td style="text-align: center;">4</td> <td style="text-align: center;">20.000%</td> <td style="text-align: right;">(34,043,875)</td> </tr> <tr> <td style="padding-left: 20px;">b. 2014</td> <td style="text-align: right;">(99,921,132)</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">20.000</td> <td style="text-align: right;">(19,984,226)</td> </tr> <tr> <td style="padding-left: 20px;">c. 2013</td> <td style="text-align: right;">213,044,387</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">20.000</td> <td style="text-align: right;">42,608,877</td> </tr> <tr> <td style="padding-left: 20px;">d. 2012</td> <td style="text-align: right;">97,564,609</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> <td style="text-align: center;">20.000</td> <td style="text-align: right;">19,512,922</td> </tr> <tr> <td style="padding-left: 20px;">e. 2011</td> <td style="text-align: right;">(131,368,417)</td> <td style="text-align: center;">5</td> <td style="text-align: center;">0</td> <td style="text-align: center;">20.000</td> <td style="text-align: right;"><u>(26,273,683)</u></td> </tr> <tr> <td style="padding-left: 20px;">f. Total</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">(18,179,985)</td> </tr> </tbody> </table>		(i) Asset gain or (loss)	Years Recognized	Years Remaining	(ii) Recognition Percentage	(i) x (ii) Recognized Amount	a. 2015	\$ (170,219,375)	1	4	20.000%	(34,043,875)	b. 2014	(99,921,132)	2	3	20.000	(19,984,226)	c. 2013	213,044,387	3	2	20.000	42,608,877	d. 2012	97,564,609	4	1	20.000	19,512,922	e. 2011	(131,368,417)	5	0	20.000	<u>(26,273,683)</u>	f. Total					(18,179,985)
	(i) Asset gain or (loss)	Years Recognized	Years Remaining	(ii) Recognition Percentage	(i) x (ii) Recognized Amount																																						
a. 2015	\$ (170,219,375)	1	4	20.000%	(34,043,875)																																						
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f. Total					(18,179,985)																																						
7. Asset gains/(losses) to be recognized = (6f)	(18,179,985)																																										
8. Actuarial Value of Assets at July 1, 2016 = (1) + (2) + (3) + (4d) + (5) + (7)	2,333,944,800																																										
9. Market Value of Assets at July 1, 2016	2,242,546,392																																										
10. Ratio of Actuarial Value to Market Value at July 1, 2016 = (8) / (9)	104.08%																																										

## Actuarial Valuation Results

### Unfunded Actuarial Accrued Liability

The unfunded actuarial accrued liability is the amount the actuarial accrued liability exceeds the actuarial value of plan assets determined as of the actuarial valuation date. The unfunded actuarial accrued liability is reduced during a year when System funding exceeds the annual normal cost and interest accrued on the prior year unfunded accrued liability. The unfunded actuarial accrued liability is also reduced (increased) when the investment return on System assets exceeds (is less than) the assumed investment return. The actuarial accrued liability is increased if there are amendments that revise benefits payable from the System. The actuarial accrued liability may be increased or decreased as the result of System experience or if there are changes in the actuarial assumptions used to determine annual contributions.

	<b>As of July 1,</b>	
	<b>2015</b>	<b>2016</b>
1. Actuarial Accrued Liability before changes		
a. Active members		
Service retirements/DROP	\$926,424,549	\$975,784,101
Ordinary disability	20,208,715	20,879,197
Accidental disability	128,987,635	134,091,184
Ordinary death	5,369,614	5,518,165
Accidental death	3,462,910	3,573,416
Withdrawal	21,200,739	21,154,806
Total Active	1,105,654,162	1,161,000,869
b. Inactive members		
Members receiving benefits	1,610,490,711	1,678,663,673
Deferred vested terminations	36,157,699	38,337,081
Refund of member contributions due	183,701	273,277
Total Inactive	1,646,832,111	1,717,274,031
c. Total Actuarial Accrued Liability	2,752,486,273	2,878,274,900
2. Actuarial Value of Plan Assets	2,239,539,373	2,333,944,800
3. Unfunded Actuarial Accrued Liability before changes =[Excess of (1) over (2)]	512,946,900	544,330,100
4. Change in Unfunded Actuarial Accrued Liability		
a. Change in System Provisions	0	0
b. Change in Actuarial Assumptions	17,508,411	(10,467,574)
5. Unfunded Actuarial Accrued Liability after changes	530,455,311	533,862,526

## Actuarial Valuation Results

### Annual Normal Cost

The annual normal cost is the portion of the total System costs assigned to the current year by the Actuarial Cost Method.

	As of July 1,	
	<u>2015</u>	<u>2016</u>
1. Annual Normal Cost		
Benefit Normal Cost	\$51,366,130	\$53,423,772
Other	0	0
Total	51,366,130	53,423,772
2. Annual Participating Payroll	273,319,323	283,639,887
3. Annual Normal Cost as a Percentage of Participating Payroll = (1) / (2)	18.79%	18.84%

## Actuarial Valuation Results

### Annual Contributions

Preliminary Total Contribution	As of July 1,	
	<u>2015</u>	<u>2016</u>
1. Annual Normal Cost	\$51,366,130	\$53,423,772
2. Estimated Member Contributions	25,692,016	26,662,149
3. Unfunded Actuarial Accrued Liability Amortization Payment	45,164,944	46,066,886
4. Total (Cities plus State) Contribution = (1) – (2) + (3)	70,839,058	72,828,509
<b>Cities' Contribution</b>		
5. Preliminary Total Contribution = (4)	70,839,058	72,828,509
6. Estimated State Contribution	0	0
7. Preliminary Cities' Contribution = (5) – (6)	70,839,058	72,828,509
8. Covered Payroll	273,319,323	283,639,887
9. Cities' Contribution as a percent of payroll = (7) / (8)	25.92%	25.68%
10. Minimum required contribution rate for Cities	17.00%	17.00%
11. Cities' Contribution = [Greater of (9) or (10)] x (8)	70,844,369	72,838,723

## Actuarial Valuation Results

### Unfunded Accrued Liability Payments

One of the components included to determine the recommended contribution is the Unfunded Accrued Liability Payment. The Unfunded Accrued Liability Payment is an annual amount that will amortize over 25 years on a closed, layered level dollar basis:

- The initial unfunded accrued liability established as of July 1, 2013.
- An increase in unfunded accrued liability if System benefits are improved through amendments.
- An increase or decrease in the unfunded accrued liability associated with a change in actuarial assumptions.
- An increase or decrease in the unfunded accrued liability resulting from actuarial gains or losses due to System experience more or less favorable than expected.

This section of the report documents the amortization bases established for the System and displays other values associated with determining the unfunded accrued liability payment.

Amortization Base	Date Established	Source of Base
\$ 657,280,700	July 1, 2013	Initial Unfunded
(101,748,328)	July 1, 2014	Actuarial Gain
32,616,664	July 1, 2014	Assumption Change
(64,447,420)	July 1, 2015	Actuarial Gain
17,508,411	July 1, 2015	Assumption Change
21,275,521	July 1, 2016	Actuarial Loss
(10,467,574)	July 1, 2016	Assumption Change

#### Charge Bases

Initial Amortization Base	Initial Term-Years	Remaining Term on Valuation Date	Amortization Payment
\$ 657,280,700	25	22	\$54,851,249
32,616,664	25	23	2,721,919
17,508,411	25	24	1,461,108
21,275,521	25	25	<u>1,775,480</u>
		Total	60,809,756

#### Credit Bases

Initial Amortization Base	Initial Term-Years	Remaining Term on Valuation Date	Amortization Payment
\$ 101,748,328	25	23	\$ 8,491,080
64,447,420	25	24	5,378,252
10,467,521	25	25	<u>873,538</u>
		Total	14,742,870

**Net Amortization Payment** **\$46,066,886**

## Actuarial Valuation Results

### Actuarial Gain/(Loss)

#### Expected Unfunded Actuarial Accrued Liability

##### 1. Expected Actuarial Accrued Liability

Actuarial Accrued Liability on July 1, 2015	\$2,769,994,684
Normal Cost	51,366,130
Benefit Distributions	(156,566,482)
Interest on above at 7.50% to June 30, 2016	205,836,959
Total	2,870,631,291

##### 2. Expected Assets

Actuarial Value of Assets on July 1, 2015	2,239,539,373
Contributions	100,710,324
Benefit Distributions and Noninvestment Expenses	(158,510,130)
Interest on above at 7.50% to June 30, 2016	165,837,145
Total	2,347,576,712

3. Expected Unfunded Actuarial Accrued Liability on June 30, 2016 523,054,579

#### Actual Unfunded Actuarial Accrued Liability

1. Actuarial Accrued Liability Before Changes	2,878,274,900
2. Actuarial Value of Assets	2,333,944,800
3. Actual Unfunded Actuarial Accrued Liability on July 1, 2016 (1) – (2)	544,330,100

#### Actuarial Gain or (Loss)

1. Expected Unfunded Actuarial Accrued Liability	523,054,579
2. Actual Unfunded Actuarial Accrued Liability	544,330,100
3. Actuarial Gain or (Loss) for 2016 Fiscal Year (1) – (2)	(21,275,521)



## Actuarial Valuation Results

### Actuarial Present Value of Accrued Benefits

	As of July 1,	
	2015	2016
1. Present value of vested accrued benefits		
a. Present value of vested accrued benefits for active members	\$ 829,725,368	\$ 871,315,876
b. Present value of benefits for terminated members	36,509,148	38,819,638
c. Present value of benefits for retirees, beneficiaries and disabled	1,621,932,989	1,660,602,787
Total	\$2,488,167,505	\$2,570,738,301
2. Present value of accrued nonvested benefits	30,463,572	31,990,578
3. Present value of all accrued benefits = (1) + (2)	\$2,518,631,077	\$2,602,728,879
4. Market value of assets	\$2,300,180,355	\$2,242,546,392
5. Ratio of market value of assets to the present value of all accrued benefits = (4) ÷ (3)	91.33%	86.16%
6. Ratio of market value of assets to the present value of vested accrued benefits = (4) ÷ (1)	92.44%	87.23%

## Actuarial Valuation Results

### Change in Actuarial Present Value of Accrued Benefits

The change in actuarial present value of accrued benefits due to various factors including benefits accumulated, the passage of time, benefits paid, changes in assumptions and changes in System provisions is displayed below.

Actuarial present value of accrued benefits on July 1, 2015	\$2,518,631,077
---	-----------------

Change in present value of accrued benefits from July 1, 2015 to July 1, 2016 due to:

- |                                   |               |
|-----------------------------------|---------------|
| • Additional benefits accumulated | \$ 69,787,714 |
| • Interest due to passage of time | 183,132,229   |
| • Benefits paid                   | (156,566,482) |
| • Change in assumptions           | (12,255,659)  |
| • Changes in System provisions    | <u>0</u>      |

Actuarial present value of accrued benefits on July 1, 2016	\$2,602,728,879
---	-----------------

## System Demographic Experience

During the plan year July 1, 2015 to June 30, 2016, actual demographic experience differed from that expected by the actuarial assumptions, as summarized below.

<b>Decrement Type</b>	<b>Expected</b>	<b>Actual</b>
<b>Actives</b>		
Service Retirement	54	24
Accidental Disability	34	27
Ordinary Disability	7	10
Accidental Death	1	5
Ordinary Death	3	1
Withdrawal	71	84
DROP Participation	62	38
DROP Premature Withdrawal	6	10
DROP Retirement	24	24
<b>Inactives</b>		
Beneficiary Death	42	48
Disabled Death	35	26
Retirement Death	62	46
Vested Termination Death	1	1

## System Accounting Results

### Overview of GASB Statement No. 67

This section of the report provides information concerning the reporting of System assets and liabilities under GASB Statement No. 67, "Financial Reporting for Pension Plans (an Amendment of GASB Statement No. 25)," which is effective for fiscal years beginning after June 15, 2013. GASB Statement No. 67 supersedes several previously issued statements.

GASB Statement No. 67 establishes financial reporting standards for state and local government defined benefit pension plans. The statement requires financial statements and accompanying notes to disclose information relative to the funded status of the System and historical contribution patterns.

- The schedule of net pension liability presents System assets, liabilities and funded percentages as of the end of the reporting period. Also included are the actuarial assumptions used in determining the total pension liability and sensitivity of the net pension liability to changes in the discount rate.
- The schedule of changes in net pension liability provides changes in the total pension liability, the System's fiduciary net position and the net pension liability.
- The schedule of contributions provides historical information about the actuarially determined contribution, the contributions actually contributed and the contributions as a percentage of covered payroll.
- Notes to the financial statements should also include description of benefits provided, System investment information and significant assumptions used to calculate total pension liability.

## System Accounting Results

### Net Pension Liability

The components of the net pension liability of the System at June 30, 2016 were as follows:

Total Pension Liability	\$2,867,807,326
Plan Fiduciary Net Position	<u>(2,242,546,392)</u>
Net Pension Liability	625,260,934

Plan Fiduciary Net Position as a percentage of the Total Pension Liability 78.20%

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the current discount rate of 7.50%, as well as the net pension liability calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease <i>6.50%</i>	Current Discount Rate <i>7.50%</i>	1% Increase <i>8.50%</i>
Total Pension Liability	\$3,223,861,690	\$2,867,807,326	\$2,571,290,010
Plan Fiduciary Net Position	<u>(2,242,546,392)</u>	<u>(2,242,546,392)</u>	<u>(2,242,546,392)</u>
Net Pension Liability	981,315,298	625,260,934	328,743,618

## System Accounting Results

### Schedule of Changes in Net Pension Liability

	Fiscal Year Ending June 30		
	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	51,366,130	49,893,939	48,020,046
Interest	205,836,959	196,289,405	187,172,397
Changes of Benefit Terms	0	0	0
Difference between Expected and Actual Experience	7,643,609	15,374,059	(1,248,941)
Changes of Assumptions	(10,467,574)	17,508,411	32,616,664
Benefit Payments, including refunds	(156,566,482)	(150,026,306)	(143,833,568)
Net Change in Total Pension Liability	97,812,642	129,039,508	122,726,598
<b>Total Pension Liability – Beginning of Year</b>	2,769,994,684	2,640,955,176	2,518,228,578
<b>Total Pension Liability – End of Year</b>	2,867,807,326	2,769,994,684	2,640,955,176
<b>Plan Fiduciary Net Position</b>			
Contributions – Employer and State	75,254,727	79,748,943	76,917,460
Contributions – Member	25,455,597	24,622,310	24,054,541
Net Investment Income	160,671	69,833,569	358,680,682
Benefit Payments, including refunds	(156,566,482)	(150,026,306)	(143,833,568)
Administrative Expenses	(1,728,951)	(1,680,944)	(1,553,740)
Other	(209,525)	(774,140)	(75,070)
Net Change in Plan Fiduciary Net Position	(57,633,963)	21,723,432	314,190,305
<b>Plan Fiduciary Net Position – Beginning of Year</b>	2,300,180,355	2,278,456,923	1,964,266,618
<b>Plan Fiduciary Net Position – End of Year</b>	2,242,546,392	2,300,180,355	2,278,456,923
<b>Net Pension Liability – End of Year</b>	625,260,934	469,814,329	362,498,253
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	78.20%	83.04%	86.27%
<b>Covered-Employee Payroll*</b>	270,986,891	262,260,060	255,370,044
<b>Net Pension Liability as a Percentage of the Covered-Employee Payroll</b>	230.73%	179.14%	141.95%

\*Actual for noted period as provided by the System.

## System Accounting Results

### Schedule of Contributions

	Fiscal Year Ending June 30		
	2016	2015	2014
<b>Actuarially Determined Contribution</b>	\$75,254,727	\$79,748,943	\$76,917,460
<b>Contributions in Relation to the Actuarially Determined Contribution</b>	75,254,727	79,748,943	76,917,460
<b>Contribution Deficiency/ (Excess)</b>	0	0	0
<b>Covered-Employee Payroll*</b>	270,986,891	262,260,060	255,370,044
<b>Contributions as a Percentage of Covered-Employee Payroll</b>	27.77%	30.41%	30.12%

\*Actual for noted period as provided by the System.

#### **Methods and Assumptions for Actuarially Determined Contribution**

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year Smoothed Market
Amortization Method	Level Dollar, Closed, Layered
Amortization Period	25 Years
Salary Increases	4.50% to 15.11%
Investment Rate of Return	7.50%
Mortality Table	RP 2000 Blue Collar Combined Healthy table with males set-back two years, females set-forward one year and disabled set-forward one year (male only rates), with no projection of future mortality improvement.

# System Accounting Results

## Actuarial Assumptions

The total pension liability was determined by the following actuarial assumptions:

Investment Rate of Return	7.50%
Discount Rate	7.50%
Inflation Rate	3.00%
Salary Increases	4.50% to 15.11%
Mortality Table	RP 2000 Blue Collar Combined Healthy table with males set-back two years, females set-forward one year and disabled set-forward one year (male only rates), with no projection of future mortality improvement.
Actuarial Cost Method	Entry Age Normal

### Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2016 was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the total pension liability.



## Summary of Actuarial Assumptions

The actuarial assumptions used in the valuation were adopted by the Board of Trustees in accordance with Iowa State Code Section 4.11.5.10-11, which results in the assumptions being considered prescribed assumptions by another party under applicable actuarial standards of practice.

**Interest Rate** 7.5%, net of investment and administrative expenses.

**Salary Increase Rates** Rates varying based on age. Annual rates at sample ages are displayed below:

<u>Age</u>	<u>Rate</u>
20	15.11%
25	10.41
30	7.14
35	5.35
40	4.95
45 or Over	4.50

**Mortality Rates**

Pre-retirement Mortality

- Ordinary

Rates varying by age – Sample rates:

<u>Age</u>	<u>Rate</u>
20	0.02%
25	0.02
30	0.03
35	0.04
40	0.05
45	0.07
50	0.10
55	0.13
60	0.19
65	0.25

- Accidental

Rates varying by age – Sample rates:

<u>Age</u>	<u>Rate</u>
20	0.02%
25	0.01
30	0.01
35	0.01
40	0.01
45	0.02
50	0.05
55	0.09
60	0.15
65	0.28

## Summary of Actuarial Assumptions (continued)

### Post-retirement Mortality

- Ordinary RP 2000 Blue Collar Combined Healthy Mortality Table with males set-back two years and females set-forward one year with no projection of future mortality improvement.
  
- Disabled RP 2000 Blue Collar Combined Healthy Mortality Table – Male, set-forward one year with no projection of future mortality improvement.

### Disability Rates

- Ordinary Rates varying by age – Sample rates:

<u>Age</u>	<u>Rate</u>
20	0.08%
25	0.08
30	0.08
35	0.10
40	0.14
45	0.18
50	0.24
55	0.34
60	0.71
65	1.45

- Accidental Rates varying by age – Sample rates:

<u>Age</u>	<u>Rate</u>
20	0.10%
25	0.10
30	0.10
35	0.10
40	0.27
45	0.62
50	1.18
55	2.69
60	5.51
65	6.41

## Summary of Actuarial Assumptions (continued)

### Turnover Rates

Rates varying by age – Sample rates:

<u>Age</u>	<u>Rate</u>
20	7.11%
25	5.81
30	4.51
35	2.71
40	1.08
45	0.20
50	0.20
55	0.00
60	0.00
65	0.00

### Retirement Age

Rates varying by age for those not eligible for DROP – Sample rates:

<u>Age</u>	<u>Rate</u>
55	50%
56	25
57-60	20
61	25
62	30
63	35
64	40
65	100

### DROP

- Participation
 All members initially eligible for DROP at age 62 or younger elect to participate. No member initially eligible for DROP after age 62 would elect to participate.
  
- Period of Participation
 3 years.
  
- Investment Return on Accounts
 1.0%.
  
- Benefit Distribution
 Lump Sum.
  
- Retirement Age
 All members initially eligible for DROP at age 62 or younger enter DROP when first eligible. No change in retirement age for members who initially become eligible for DROP after age 62.
  
- Voluntary Premature Withdrawal
 5% per year while participating in DROP.

## Summary of Actuarial Assumptions (continued)

<b>Administrative Expenses</b>	None explicitly assumed.
<b>Active Members Percentage Married</b>	85%.
<b>Spouses' Age</b>	Wives are three years younger than husbands, including inactive members whose beneficiary age is unavailable.
<b>Number of Children</b>	2.5 per couple.
<b>Participating Payroll</b>	Actual annualized earnable compensation reported for prior plan year increased to the current plan year based on the System's assumed salary increase rate.
<b>Inactive Members Percentage Married (50% J &amp; S Annuity Form Only)</b>	80%.
<b>Timing of Decrements</b>	Middle of fiscal year.

## Summary of Actuarial Methods

The actuarial methods used in the valuation were adopted by the Board of Trustees in accordance with Iowa State Code Section 4.11.5.10-11, which results in the methods being considered prescribed methods by another party under applicable actuarial standards of practice.

### Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method was used to determine recommended contributions. Using this method, the annual contribution consists of a normal cost and an unfunded accrued liability payment.

The normal cost is determined as the sum of the individual normal costs for each active System member. A normal cost accrual rate is determined for each member. The accrual rate is equal to the actuarial present value of future benefits determined as of the member's entry age, divided by the actuarial present value of the assumed salaries paid to the member from entry age to retirement age. The normal cost accrual rate is multiplied by current salary to provide the member's individual normal cost.

The actuarial accrued liability is the sum of the individual actuarial accrued liabilities for all System members. Each member's actuarial accrued liability equals the actuarial present value of future benefits, less the actuarial present value of the member's normal costs payable in the future. These present values are calculated at the member's attained age. The unfunded actuarial accrued liability equals the total actuarial accrued liability less the actuarial value of plan assets. The unfunded actuarial accrued liability payment is the amount payable toward the amortization of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized over 25 years on a level dollar, closed layered basis.

At the end of each year, a determination of actuarial gains and losses is made. Actuarial gains and losses indicate the extent to which actual experience is deviating from that expected on the basis of the actuarial assumptions. Actuarial gains result from experience more favorable than assumed and reduce the unfunded actuarial accrued liability. Actuarial losses result from experience less favorable than assumed and increase the unfunded actuarial accrued liability.

### Actuarial Asset Valuation Method

The preliminary actuarial value is equal to the prior year's actuarial value (starting with the market value as of July 1, 1992) adjusted for contributions, disbursements and expected return on investments. The preliminary value is then adjusted by 20% of any investment gains or losses during the five prior plan years.

However, any investment gains or losses prior to 2008 were previously being recognized over four years. Effective July 1, 2008, these remaining unrecognized investment gains or losses are recognized over a total of five years. This results in the preliminary value of assets adjusted by the following percentages of any investment gains or losses prior to the 2008 plan year.

2007	20.000%
2006	18.750
2005	16.667
2004	12.500

## Summary of System Provisions

The System was established, effective January 1, 1992, by Chapter 411 of the Code of Iowa by combining each city's fire retirement system and police retirement system into a single statewide retirement system for fire fighters and police officers. Plan amendments through July 1, 2016 are reflected in this summary.

<b>Participation</b>	Each person who becomes a permanent full-time police officer or fire fighter in a participating city.														
<b>Membership Service</b>	From date of employment to date of separation from employment.														
<b>Earnable Compensation</b>	The annual compensation which a member receives for services rendered as a police officer or fire fighter in the course of employment with a participating City, except for amounts received for overtime, meal or travel expenses, uniform allowances, fringe benefits, severance pay, mandatory deferred compensation, and accumulated sick leave or vacation pay.														
<b>Contributions</b>															
<b>Members</b>	The following percentages of Earnable Compensation:														
	<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Effective Date</u></th> <th style="text-align: left;"><u>Percentage</u></th> </tr> </thead> <tbody> <tr> <td>October 16, 1992</td> <td>6.10%</td> </tr> <tr> <td>July 1, 1993</td> <td>7.10</td> </tr> <tr> <td>July 1, 1994</td> <td>8.10</td> </tr> <tr> <td>January 1, 1995</td> <td>8.35</td> </tr> <tr> <td>July 1, 1995</td> <td>9.35</td> </tr> <tr> <td>July 1, 2009</td> <td>9.40</td> </tr> </tbody> </table>	<u>Effective Date</u>	<u>Percentage</u>	October 16, 1992	6.10%	July 1, 1993	7.10	July 1, 1994	8.10	January 1, 1995	8.35	July 1, 1995	9.35	July 1, 2009	9.40
<u>Effective Date</u>	<u>Percentage</u>														
October 16, 1992	6.10%														
July 1, 1993	7.10														
July 1, 1994	8.10														
January 1, 1995	8.35														
July 1, 1995	9.35														
July 1, 2009	9.40														
<b>Cities</b>	The amount actuarially determined necessary to fund the benefits in accordance with accepted actuarial principles but not less than 17% of the Earnable Compensation of the active members.														
<b>State</b>	The annual appropriation expected from the State of Iowa to fund benefits is \$0.														

## Summary of System Provisions (continued)

<b>Average Final Compensation</b>	The average Earnable Compensation of the member during the three years of service the member earned their highest salary as a police officer or fire fighter.
<b>Service Retirement Benefit</b>	
<b>Eligibility</b>	After age 55 and completion of 22 years of service.
<b>Benefit</b>	Monthly annuity equal to 66.0% of Average Final Compensation plus 2.0% of Average Final Compensation for each year of service in excess of 22 years (up to 8 additional years). The maximum benefit is 82.0% of Average Final Compensation.
<b>DROP Benefit</b>	
<b>Eligibility</b>	After age 55 and completion of 22 years of service.
<b>Participation Date</b>	First day of the month following the month in which a member applies for participation.
<b>Participation Period</b>	A three, four or five year participation period except during the 24 months immediately following April 1, 2007, members between ages 62 and 64 with at least 22 years of service may enroll for a one or two year participation period.
<b>Chapter 411 Benefit</b>	Monthly benefit determined based on the period of service and Average Final Compensation through the quarter of membership service immediately preceding the DROP participation date elected.
<b>DROP Account</b>	An account established for each member enrolled which will have a portion of the Chapter 411 Benefit credited to it for the duration of the selected participation period. The portion shall be equal to the sum of: (a) A “minimum percentage” of 52% multiplied by the Chapter 411 Benefit, plus (b) An “adjustment percentage” of 2% for each month up to 24 months between the date the member elects to participate in DROP and the date the member was initially eligible to participate, multiplied by the Chapter 411 Benefit.

## Summary of System Provisions (continued)

### DROP Benefit (continued)

<b>Member Contributions</b>	Member's contributions will be contributed to the general System assets during the member's participation period.
<b>City Contributions</b>	Cities' contributions equal to the normal contribution rate determined annually but never less than 17% of Earnable Compensation will be contributed to the general System assets during the member's participation period.
<b>Investment Return</b>	Earnings and capital gains or losses on the investments shall be credited to the general System assets and not to the individual member DROP Accounts.
<b>Benefit Escalation</b>	The applicable escalator provisions apply from the member's actual date of retirement at the end of the DROP participation period. No escalation will occur during the DROP participation period.
<b>Benefit Distributions</b>	At the actual date of retirement, the member's DROP Account will be payable, upon application by the member, in the form of a lump sum distribution or rollover to an eligible plan. The regular Chapter 411 Benefit will commence on the member's actual date of retirement.
<b>Premature Withdrawal and Accrual of Benefit</b>	An amount equal to 75% of the member's DROP benefit shall accrue to the benefit of the member for each month of DROP participation. An amount equal to 25% of the member's accumulated DROP benefit shall accrue to the benefit of the member upon either: (1) completion of the selected participation period, or (2) termination of participation due to becoming eligible for a disability benefit, or (3) death prior to completion of the selected participation period.

### Termination Benefit

<b>Eligibility</b>	At least 4 years of service upon termination of membership before age 55, but less than 22 years of service upon termination of membership after age 55.
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## Summary of System Provisions (continued)

### Termination Benefit (continued)

<b>Benefit</b>	<p>Monthly annuity payable at age 55 or current age, if later, equal to 66.0% of Average Final Compensation plus 2.0% of Average Final Compensation for each year of service in excess of 22 years (up to 8 additional years), if any, times a ratio equal to service at termination divided by 22 (ratio not to exceed 1.0).</p> <p>Effective July 1, 1990, members who terminate service, other than by death or disability, can elect to withdraw their accumulated contributions with interest in lieu of any benefits to which the member may be entitled to from the System.</p>
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### Ordinary Disability Benefit

<b>Eligibility</b>	A member in good standing at any age and any length of service.
<b>Benefit</b>	<p>Monthly annuity payable upon disability equal to either (a) or (b) below, but no less than (c):</p> <ul style="list-style-type: none"><li>(a) If service at disability is greater than or equal to 5, 50% of Average Final Compensation; or</li><li>(b) If service at disability is less than 5 years, 25% of Average Final Compensation;</li><li>(c) The benefit determined using the Service Retirement formula based on service and Average Final Compensation at the date of disability.</li></ul>

### Accidental Disability Benefit

<b>Eligibility</b>	A member in good standing at any age and any length of service.
<b>Benefit</b>	A monthly annuity equal to 60% of Average Final Compensation but no less than the benefit determined using the Service Retirement formula based on service and Average Final Compensation at the date of disability.

## Summary of System Provisions (continued)

### Ordinary Death Benefit

#### Eligibility

For members in service: any age and any length of service.

For member not in service: 4 years of service.

#### Benefit

Upon death of the member, either (a) or (b) below:

- (a) A lump sum equal to 50% of Earnable Compensation during the last year of employment; or
- (b) A monthly annuity equal to 40% of average final compensation but not less than 20% of the average Earnable Compensation of an active member of the System, as reported by the actuary. For a member not in service, the monthly annuity is payable on the date the member would have reached age 55, except if there is a dependent child, it is paid immediately upon death of the member.

For each dependent child, an additional benefit equal to 6% of the average Earnable Compensation of an active member of the System, as reported by the actuary. This benefit is payable until the child reaches age 18 or 22 (if a full-time student) or payable for life if the child is disabled.

### Accidental Death Benefit

#### Eligibility

Death from causes sustained in the line of duty.

#### Benefit

A monthly annuity equal to 50% of Average Final Compensation payable to surviving spouse, dependent child or dependent parents. In addition, a lump sum of \$100,000 is payable to the surviving spouse, adult child, dependent child or dependent parents if death is due to a traumatic personal injury incurred in the line of duty.

For each dependent child, an additional benefit equal to 6% of the average Earnable Compensation of an active member of the System, as reported by the actuary.

## Summary of System Provisions (continued)

### Death After Retirement

<b>Eligibility</b>	Death of member while receiving a service (basic benefit only), ordinary, accidental or vested (basic benefit only) retirement.
<b>Benefit</b>	To surviving spouse, 50% of the gross monthly benefit of the retired member but not less than 20% of the average Earnable Compensation of an active member of the System, as reported by the actuary.  For each dependent child, an additional benefit equal to 6% of the average Earnable Compensation of an active member of the System, as reported by the actuary.

### Annual Escalator Benefit

<b>Eligibility</b>	All retired members, except for vested retirements, and for beneficiaries, except for beneficiaries of vested retirements.
<b>Benefit</b>	The monthly pension benefit is increased each July 1 by the sum of (a) plus (b) below: <ul style="list-style-type: none"> <li>(a) The previous monthly benefit multiplied by 1.5%, and</li> <li>(b) An additional dollar amount from the table below based on the number of years the member has been retired.</li> </ul>

<u>Amount</u>	<u>Years of Retirement</u>
\$15	Less than 5
20	5-9
25	10-14
30	15-19
35	20 or More

### Normal Form of Benefit

<b>Married</b>	Joint and 50% Survivor Annuity.
<b>Single</b>	Life Only Annuity.

## Summary of System Members

	<u>2014</u>	<u>July 1, 2015</u>	<u>2016</u>
<b>Active Members</b>			
Number	3,885	3,892	3,926
Average Attained Age	41.0	41.1	41.2
Average Past Service	13.7	13.8	13.8
Total Annual Compensation	\$266,265,413	\$273,319,323	\$283,639,887
Average Annual Compensation	68,537	70,226	72,247
<b>Non-Active Members in Pay Status</b>			
Number	3,896	3,935	3,986
Average Age (excluding children)	69.2	69.3	69.5
Total Annual Benefits	\$138,974,424	\$146,804,148	\$152,700,180
Average Annual Benefit	35,671	37,307	38,309
<b>Non-Active Members with Deferred Benefits</b>			
Number*	321	328	341
Average Age	44.6	44.1	43.9
Total Annual Benefits	\$ 5,458,080	\$ 5,459,448	\$ 5,827,692
Average Annual Benefit	17,003	16,645	17,090

\* Excludes 24, 31 and 42 terminated nonvested members who had not yet received a refund of contributions as of 2014, 2015 or 2016 respectively.

## Summary of System Members

### Reconciliation of Participant Counts

	Active	Terminated Vested	In Pay Status			Total
			Beneficiaries	Disabled	Retirees	
Number as of July 1, 2015	3,892	328	891	1,121	1,923	8,155
Change due to:						
New hires and rehires	235	0	0	0	0	235
Terminations	(90)*	56	0	0	0	(34)
Retirement	(58)	(23)	0	0	81	0
Disability	(37)	0	0	37	0	0
Death without Beneficiary	0	0	(48)	(12)	(21)	(81)
Death with Beneficiary	(6)	(1)	57	(14)	(25)	11
Refund Paid Out	(10)**	(19)	0	0	0	(29)
Benefit Aged Out	0	0	(3)	0	0	(3)
Other	0	0	(1)	0	0	(1)
Number as of July 1, 2016	3,926***	341	896	1,132	1,958	8,253

\* Six of the Terminations are from new hires during the period July 1, 2015 to June 30, 2016.

\*\* Ten of the Refunds Paid Out are from new hires during the period July 1, 2015 to June 30, 2016.

\*\*\* One hundred-twenty-four (124) of the Actives have elected to participate in DROP as of July 1, 2016.

## Summary of System Members

### Active Members—As of July 1, 2016

Age	Years of Service								Total	Average Annual Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+		
Under 25	122	0	0	0	0	0	0	0	122	\$52,867
25-29	363	91	1	0	0	0	0	0	455	\$58,946
30-34	206	331	94	1	0	0	0	0	632	\$65,570
35-39	86	173	292	90	0	0	0	0	641	\$70,666
40-44	32	75	161	264	55	0	0	0	587	\$74,212
45-49	14	35	107	214	232	69	0	0	671	\$77,901
50-54	2	12	30	78	113	211	53	0	499	\$81,746
55-59	6	3	9	29	54	57	52	33	243	\$83,492
60+	2	2	1	2	8	19	13	29	76	\$88,402
Total	833	722	695	678	462	356	118	62	3,926	
Average Annual Salary	\$57,653	\$67,806	\$72,852	\$76,558	\$82,001	\$83,742	\$90,694	\$92,301		\$72,247

## Summary of System Members

### Inactive Members—As of July 1, 2016

#### Service Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
55-59	142	\$ 9,021,336	\$ 63,531
60-64	339	20,143,572	59,421
65-69	387	21,692,604	56,053
70-74	274	13,810,344	50,403
75-79	215	9,416,760	43,799
80-84	134	4,870,140	36,344
Over 84	<u>122</u>	<u>4,000,452</u>	<u>32,791</u>
Total	1,613	\$ 82,955,208	\$ 51,429

#### Vested Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
55-59	89	\$ 1,763,904	\$ 19,819
60-64	95	2,078,352	21,877
65-69	80	1,373,124	17,164
70-74	40	605,736	15,143
75-79	16	170,676	10,667
80-84	18	161,604	8,978
Over 84	<u>7</u>	<u>42,960</u>	<u>6,137</u>
Total	345	\$ 6,196,356	\$ 17,960

## Summary of System Members

### Inactive Members—As of July 1, 2016

#### Accidental Disability Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	21	\$ 800,808	\$38,134
40-44	19	702,804	36,990
45-49	45	1,769,340	39,319
50-54	50	2,107,776	42,156
55-59	112	5,011,800	44,748
60-64	176	8,088,468	45,957
65-69	178	7,752,240	43,552
70-74	156	6,366,648	40,812
75-79	94	3,587,652	38,167
80-84	58	2,028,012	34,966
Over 84	<u>35</u>	<u>1,209,708</u>	<u>34,563</u>
Total	944	\$39,425,256	\$41,764

#### Ordinary Disability Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	10	\$ 250,296	\$25,030
40-44	12	360,048	30,004
45-49	13	406,164	31,243
50-54	17	533,316	31,372
55-59	21	838,788	39,942
60-64	35	1,387,488	39,643
65-69	35	1,269,564	36,273
70-74	25	877,632	35,105
75-79	12	390,780	32,565
80-84	6	174,300	29,050
Over 84	<u>2</u>	<u>53,988</u>	<u>26,994</u>
Total	188	\$ 6,542,364	\$34,800



## Summary of System Members

### Inactive Members—As of July 1, 2016

#### Beneficiaries (Spouse)

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	4	\$ 105,720	\$ 26,430
40-44	7	225,480	32,211
45-49	16	360,696	22,544
50-54	15	347,736	23,182
55-59	30	618,036	20,601
60-64	67	1,649,640	24,621
65-69	90	2,134,812	23,720
70-74	105	2,149,548	20,472
75-79	151	3,070,260	20,333
80-84	139	2,593,848	18,661
Over 84	<u>224</u>	<u>4,051,212</u>	<u>18,086</u>
Total	848	\$17,306,988	\$ 20,409

#### Beneficiaries (Children)

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 3	1	\$ 4,452	\$ 4,452
3-5	1	4,452	4,452
6-8	3	14,304	4,768
9-11	5	23,028	4,606
12-14	6	32,496	5,416
15-17	8	48,504	6,063
18-20	12	67,296	5,608
Over 20	<u>12</u>	<u>79,476</u>	<u>6,623</u>
Total	48	\$274,008	\$ 5,709

## Summary of System Members

### Inactive Members—As of July 1, 2016

#### Terminated Vested

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	103	\$1,159,176	\$11,254
40-44	62	1,026,108	16,550
45-49	76	1,450,416	19,084
50-54	99	2,190,768	22,129
Over 54	<u>1</u>	<u>1,224</u>	<u>1,224</u>
Total	341	\$5,827,692	\$17,090