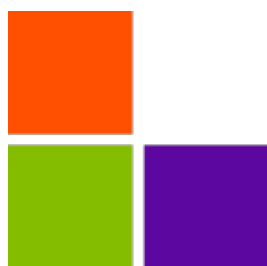




FAIRFIELD POLICE AND FIREMAN'S RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT

JULY 1, 2018



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Executive Summary

	July 1, 2018	July 1, 2017
Number of members		
Active employees	197	200
Terminated vested members	6	6
Retired, disabled and beneficiaries	220	211
Total	423	417
Covered employee payroll	16,301,605	16,395,629
Average plan salary	82,749	81,978
Actuarial present value of future benefits	244,337,249	238,994,273
Actuarial accrued liability	210,487,420	203,264,052
Plan assets		
Market value of assets	185,204,000	176,446,000
Actuarial value of assets	185,896,744	182,080,516
Unfunded accrued liability	24,590,676	21,183,536
Funded ratio	88.3%	89.6%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2020	2019
ADEC	4,811,627	4,656,468



Valuation Results and Highlights

Purpose of the Valuation

The purpose of the valuation is to develop the Actuarially Determined Employer Contribution (ADEC).

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

$$\text{Ultimate cost} = \text{Benefits Paid} + \text{Expenses Incurred} - \text{Investment Return} - \text{Employee Contributions}$$

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the actuarially determined employer contribution is developed. The July 1, 2018 valuation produces the contribution for the fiscal year ending 2020.

Information Available in the Valuation Report

The Executive Summary is intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Results of the Valuation, Supporting Exhibits and Description of Actuarial Methods and Assumptions. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Changes Reflected in the Valuation

Cash Contribution for Fiscal Year Ending 2020

The Town cost is:	2020 Fiscal Year
	\$4,811,627

Liability Experience During Period Under Review

The plan experienced a net actuarial loss on liabilities of \$1,985,790 since the prior valuation.

Asset Experience During Period Under Review

The plan's assets provided the following rates of return during the past fiscal year:

	2018 Fiscal Year
Market Value Basis	8.6%
Actuarial Value Basis	5.6%

The Actuarial Value of assets, rather than the Market Value, is used to determine plan contributions. The Actuarial Value spreads the asset volatility over 5 years, thereby smoothing out fluctuations that are inherent in the Market Value.



Certification

This report presents the results of the July 1, 2018 Actuarial Valuation for Fairfield Police and Fireman's Retirement System (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal year ending June 30, 2020. This report is intended to satisfy the requirements of Connecticut General Statute 7-450a. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.


I certify that the actuarial assumptions and methods that were selected by me represent my best estimate of anticipated actuarial experience under the Plan.


In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.


Evan W. Woollacott, Jr., FCA, MAAA,
Enrolled Actuary 17-04513


Stephen Chykirda, ASA, MAAA,
Enrolled Actuary 17-07517

January 24, 2019

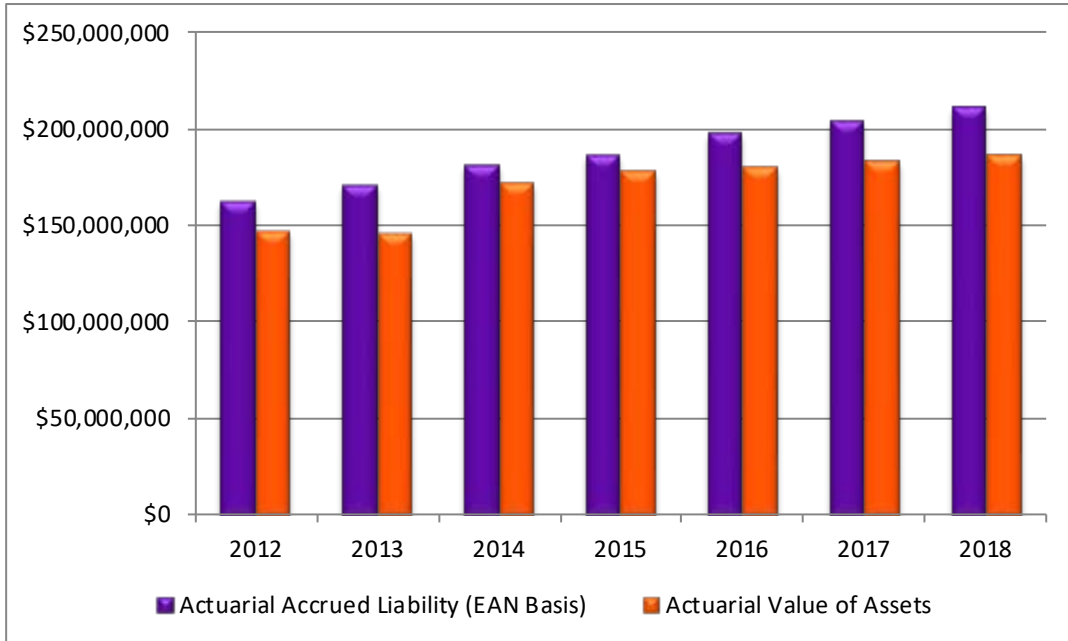


Development of Unfunded Accrued Liability and Funded Ratio

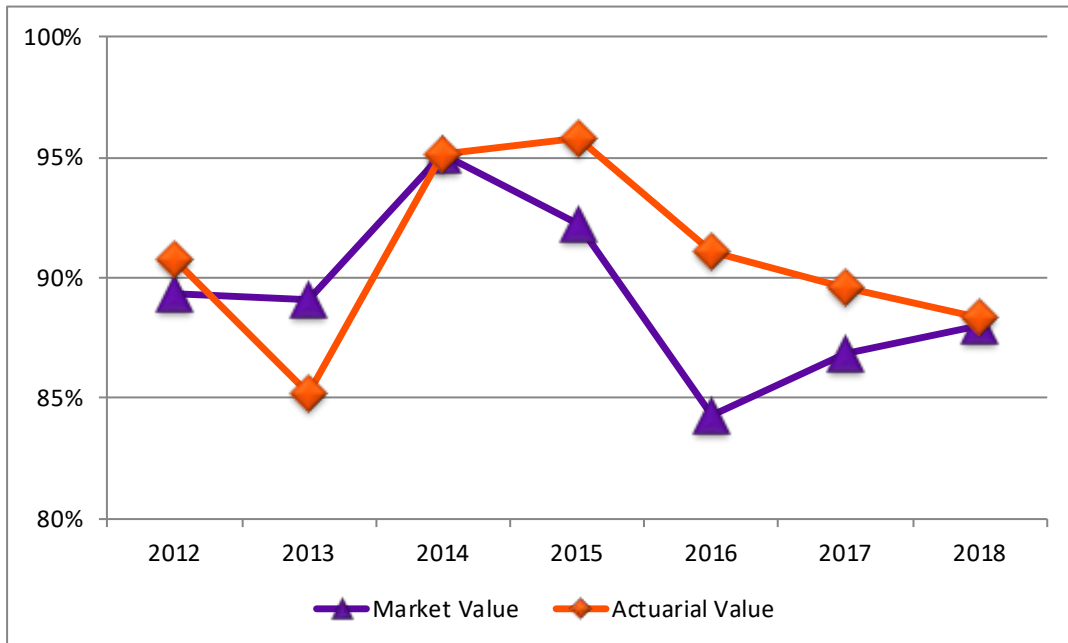
	July 1, 2018	July 1, 2017
Actuarial accrued liability for inactive members		
Retired, disabled and beneficiaries	\$133,219,151	\$124,932,793
Terminated vested members	<u>1,027,608</u>	<u>1,038,911</u>
Total	134,246,759	125,971,704
Actuarial accrued liability for active employees	<u>76,240,661</u>	<u>77,292,348</u>
Total actuarial accrued liability	210,487,420	203,264,052
Actuarial value of assets	<u>185,896,744</u>	<u>182,080,516</u>
Unfunded accrued liability	24,590,676	21,183,536
Funded ratio	88.3%	89.6%



Actuarial Accrued Liability vs. Actuarial Value of Assets



Funded Ratio



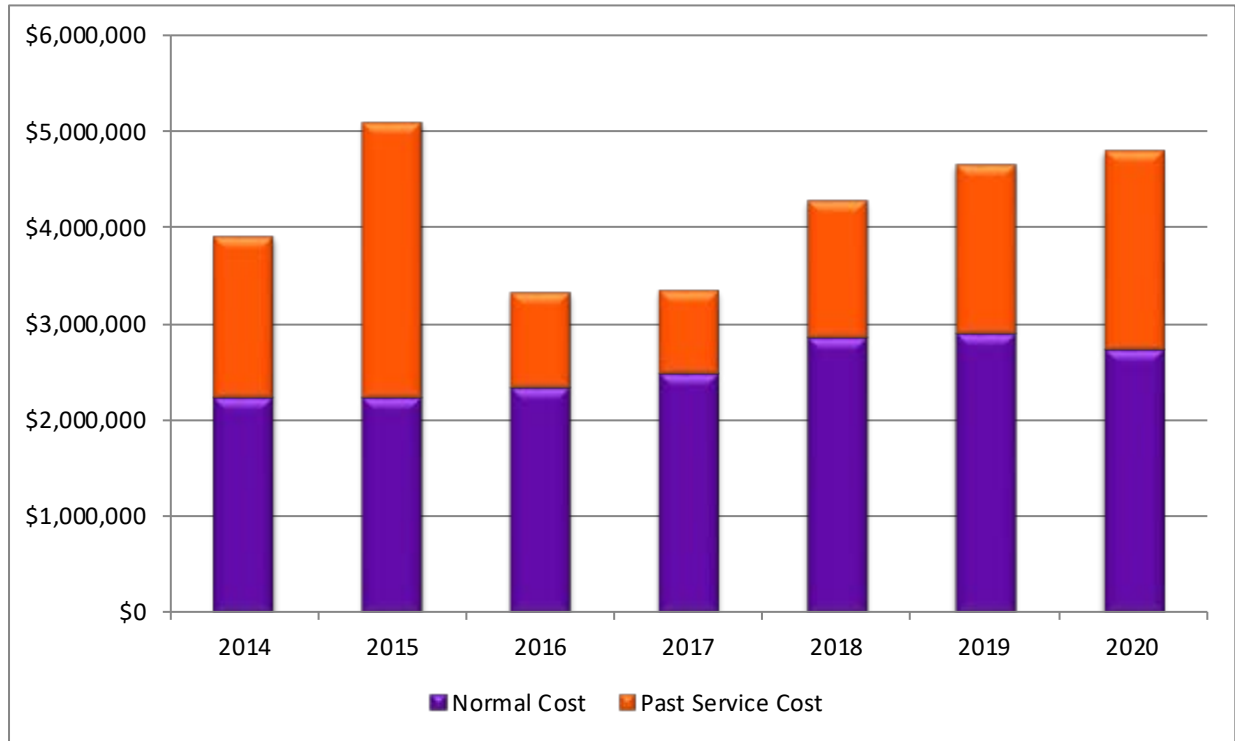


Determination of Normal Cost and Actuarially Determined Employer Contribution

	July 1, 2018		July 1, 2017	
	Cost	Percent of payroll	Cost	Percent of payroll
Gross normal cost	\$3,237,924	20.0%	\$3,341,975	20.5%
Estimated employee contributions	(782,560)	-4.8%	(746,348)	-4.6%
Estimated administrative expenses	141,000	0.8%	155,000	1.0%
Town's normal cost	2,596,364	16.0%	2,750,627	16.9%
Amortization of unfunded accrued liability	2,038,818	12.6%	1,726,142	10.6%
Contribution before adjustment as of the valuation date	4,635,182	28.6%	4,476,769	27.5%
Estimated valuation year payroll for actives not yet at 100% assumed retirement age	16,188,273		16,301,830	
Fiscal year ending	2020		2019	
Adjustment for interest and inflation	176,445		179,699	
Actuarially determined employer contribution	4,811,627		4,656,468	



Actuarially Determined Employer Contribution





Determination of Actuarial Gain/Loss

The Actuarial Gain/Loss is the difference between the expected unfunded accrued liability and the actual unfunded accrued liability, without regard to any changes in actuarial methods, actuarial assumptions or plan provisions. This can also be referred to an Experience Gain/Loss, since it reflects the difference between what was expected and what was actually experienced.

Actuarial Gain / Loss	
Expected unfunded accrued liability July 1, 2018	
Expected unfunded accrued liability July 1, 2018	
Unfunded accrued liability July 1, 2017	21,183,536
Gross normal cost July 1, 2017	3,496,975
Town and employee contributions for 2017-2018	(5,006,145)
Interest at 7.00% to July 1, 2018	<u>1,459,911</u>
Expected unfunded accrued liability July 1, 2018	21,134,277
Actuarial (gain) / loss July 1, 2018	<u>4,561,545</u>
Actual unfunded accrued liability July 1, 2018, prior to plan provision, assumption and method changes	25,695,822
Sources of (gain) / loss	
Assets	2,575,755
Liabilities	<u>1,985,790</u>
Total (gain) / loss	4,561,545
Assumption and method changes since prior valuation	(1,080,848)
Plan provision changes since prior valuation	<u>(24,298)</u>
Actual unfunded accrued liability July 1, 2018, after plan provision, assumption and method changes	24,590,676



Development of Asset Values

Summary of Fund Activity		
	Market Value	Actuarial Value
1. Beginning value of assets July 1, 2017		
Trust assets	\$176,446,000	\$182,080,516
2. Contributions		
Town contributions during year	4,280,000	4,280,000
Employee contributions during year	726,145	726,145
Total for plan year	5,006,145	5,006,145
3. Disbursements		
Benefit payments during year	11,061,730	11,061,730
Administrative expenses during year	123,855	123,855
Total for plan year	11,185,585	11,185,585
4. Net investment return		
Interest and dividends	1,314,000	N/A
Realized and unrealized gain / (loss)	13,867,440	N/A
Expected return	N/A	12,209,904
Recognized gain / (loss)	N/A	(2,214,236)
Required adjustment due to corridor	N/A	0
Reversal of prior year required adjustment	N/A	0
Investment-related expenses	(244,000)	N/A
Total for plan year	14,937,440	9,995,668
5. Ending value of assets July 1, 2018		
Trust assets: (1) + (2) - (3) + (4)	185,204,000	185,896,744
6. Approximate rate of return	8.6%	5.6%



Relationship of Actuarial Value to Market Value	
1. Market value 7/1/2018	\$185,204,000
2. Gain / (loss) not recognized in actuarial value 7/1/2018	<u>(692,744)</u>
3. Preliminary actuarial value 7/1/2018: (1) - (2)	185,896,744
4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1)	100.4%
5. Gain / (loss) recognized for corridor minimum / maximum	N/A
6. Actuarial value 7/1/2018 after corridor minimum / maximum: (3) + (5)	185,896,744
7. Actuarial value as a percentage of market value: (6) ÷ (1)	100.4%

Development of Market Value Gain / Loss for 2017-2018 Plan Year	
1. Market value 7/1/2017	\$176,446,000
2. Town contributions	4,280,000
3. Employee contributions	726,145
4. Benefit payments	11,061,730
5. Administrative expenses	123,855
6. Expected return at 7.00%	<u>12,209,904</u>
7. Expected value 7/1/2018: (1) + (2) + (3) - (4) - (5) + (6)	182,476,464
8. Market value 7/1/2018	<u>185,204,000</u>
9. Market value gain / (loss) for 2017-2018 plan year: (8) - (7)	2,727,536

Recognition of Gain / Loss in Actuarial Value					
Year	(a) Gain / (loss)	(b) Total recognized as of 7/1/2017	(c) Recognized in current year: 20% of (a)	(d) Total recognized as of 7/1/2018: (b) + (c)	(e) Not recognized as of 7/1/2018: (a) - (d)
2013-2014	\$0	\$0	\$0	\$0	\$0
2014-2015	(8,243,414)	(4,946,049)	(1,648,683)	(6,594,732)	(1,648,682)
2015-2016	(10,535,435)	(4,214,174)	(2,107,087)	(6,321,261)	(4,214,174)
2016-2017	4,980,137	996,027	996,027	1,992,054	2,988,083
2017-2018	2,727,536	0	<u>545,507</u>	545,507	<u>2,182,029</u>
Total			(2,214,236)		(692,744)

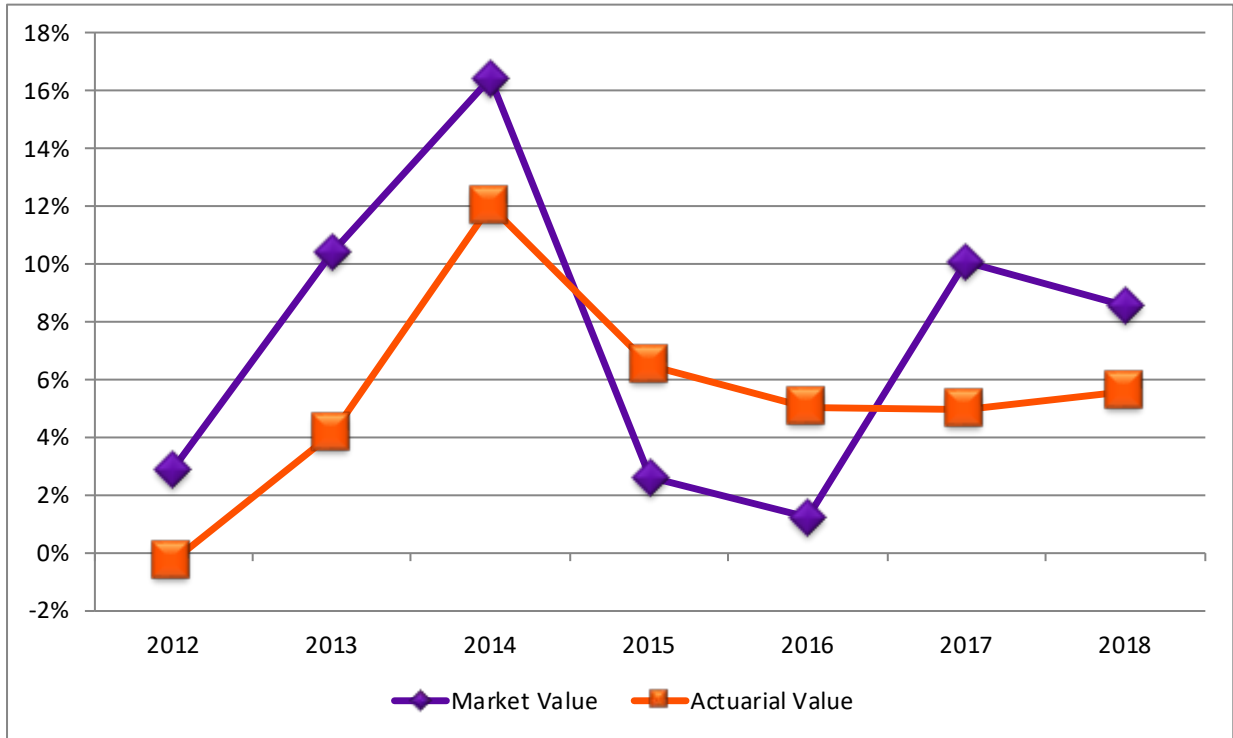


Rate of Return on Market Value of Assets				
Period Ending	Average Annual Effective Rate of Return			
June 30	1 Year	3 Years	5 Years	10 Years
2009	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	2.9%	N/A	N/A	N/A
2013	10.4%	N/A	N/A	N/A
2014	16.4%	9.8%	N/A	N/A
2015	2.6%	9.7%	N/A	N/A
2016	1.2%	6.5%	6.5%	N/A
2017	10.1%	4.6%	8.0%	N/A
2018	8.6%	6.5%	7.6%	N/A

Rate of Return on Actuarial Value of Assets				
Period Ending	Average Annual Effective Rate of Return			
June 30	1 Year	3 Years	5 Years	10 Years
2009	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	-0.3%	N/A	N/A	N/A
2013	4.1%	N/A	N/A	N/A
2014	12.0%	5.1%	N/A	N/A
2015	6.5%	7.5%	N/A	N/A
2016	5.0%	7.8%	5.4%	N/A
2017	4.9%	5.5%	6.5%	N/A
2018	5.6%	5.2%	6.8%	N/A



Actual Rate of Return on Assets





Target Allocation and Expected Rate of Return July 1, 2018

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
US Large Cap	15.00%	4.65%	0.70%
US Mid/Small Cap	12.50%	5.50%	0.69%
International Developed	15.00%	5.50%	0.83%
International Emerging	7.50%	6.50%	0.49%
Cash & Cash Equivalents	2.00%	0.00%	0.00%
US Govt Intermediate	10.00%	1.75%	0.18%
US Corp Intermediate	10.00%	2.25%	0.23%
International	10.00%	2.50%	0.25%
Commodities	3.00%	5.25%	0.16%
Real Estate	5.00%	5.00%	0.25%
Other (hedge fund, etc.)	10.00%	5.25%	0.53%
	100.00%		4.31%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			6.91%

**Long-Term Returns are provided by HHIA. The returns are arithmetic means.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on arithmetic means. The investment return assumption was selected using the long term asset allocation shown above. An expected rate of return of 7.00% was used.



Amortization of Unfunded Liability

Schedule of Amortization Bases				
	Date established	Amortization installment	Years remaining	Present value of remaining installments as of July 1, 2018
2018 base	July 1, 2018	2,038,818	23	24,590,676



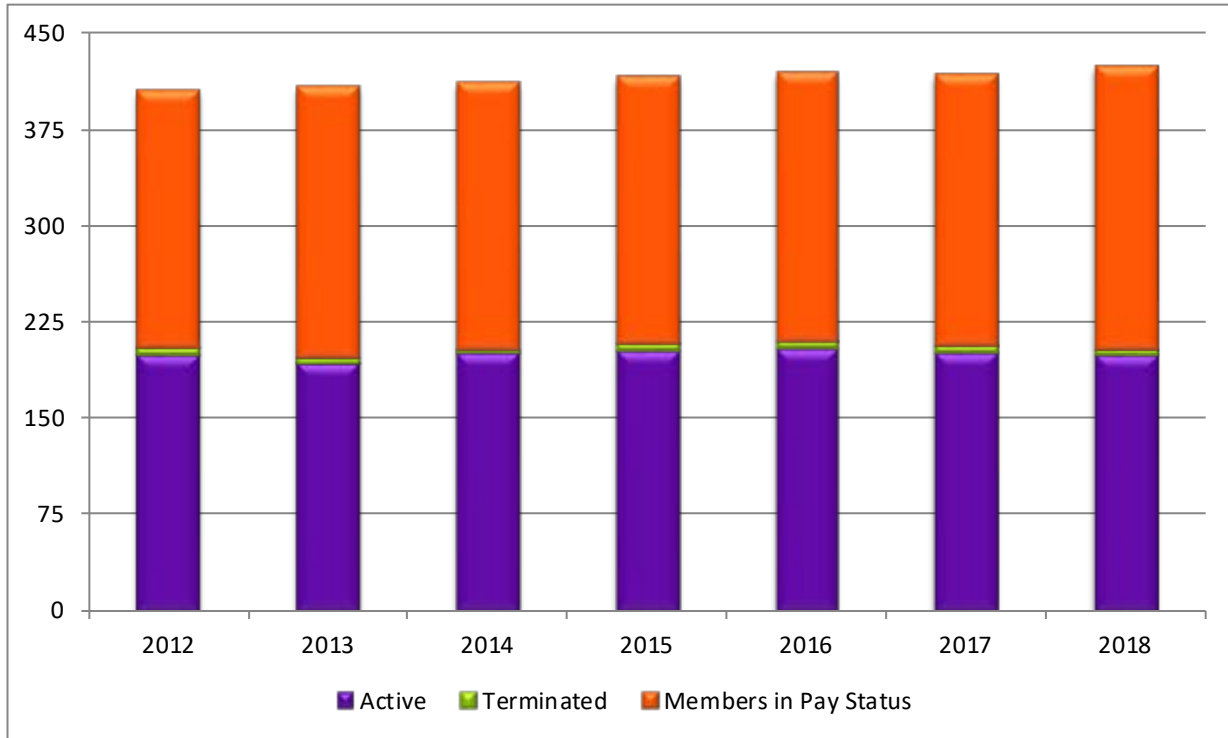
Member Data

The data reported by the Plan Sponsor for this valuation includes 197 active employees who met the Plan's minimum age and service requirements as of July 1, 2018.

Member Data				
	Active	Terminated vested	Members in pay status	Total
Total members July 1, 2017	200	6	211	417
Adjustments	0	0	0	0
Retirements	-9	-1	+10	0
Disabilities	0	N/A	0	0
Terminations				
Vested	-1	+1	N/A	0
Lump sum payments	0	0	N/A	0
Due contributions only	0	N/A	N/A	0
Deaths				
With death benefit	0	0	-2	-2
Without death benefit	0	0	-1	-1
Transfers	0	0	N/A	0
Rehires	0	0	N/A	0
New beneficiaries	N/A	N/A	+2	+2
New entrants	+7	N/A	N/A	+7
Total members July 1, 2018	197	6	220*	423



Member Counts by Status





Member Data			
	Active	Terminated vested	Members in pay status
Average age			
July 1, 2017	44.6	43.6	71.2
July 1, 2018	44.6	41.8	71.3
Average service			
July 1, 2017	16.5	N/A	N/A
July 1, 2018	16.4	N/A	N/A
Covered employee payroll			
July 1, 2017	\$16,395,629	N/A	N/A
July 1, 2018	16,301,605	N/A	N/A
Total annual benefits			
July 1, 2017	N/A	\$169,337	\$10,398,461
July 1, 2018	N/A	176,259	11,397,106



Active Member Count by Age and Years of Service

Attained age	Completed Years of Credited Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and over	All years
Under 25	3										3
25 to 29	3	14	2								19
30 to 34	1	7	11	1							20
35 to 39		5	6	5	2						18
40 to 44		1	2	5	20	2					30
45 to 49			2	5	18	13	6				44
50 to 54			2	6	5	5	18	1			37
55 to 59		1			1	2	5	4	2		15
60 to 64		1			1		1		3		6
65 to 69							2			3	5
70 & over											
All ages	7	29	25	22	47	22	32	5	5	3	197



Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year.

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). This amount is amortized over 23 years on a closed basis.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.



Description of Actuarial Assumptions

Changes in Actuarial Assumptions

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Mortality
- Inflation

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Investment rate of return (net of investment-related and administrative expenses)

7.00%.

Rate of compensation increase (including inflation)

Service	Police & Fire
<1	12.75%
1	7.75%
2	5.75%
3	5.25%
4	5.00%
5	4.75%
6	4.65%
7	4.55%
8	4.45%
9	4.35%
10	4.25%
11	4.15%
12	4.05%
13	3.95%
14	3.85%
15-20	3.75%
21	3.65%
22	3.55%
23	3.45%
24	3.35%
25	3.25%

The actuarial assumption in regards to rate of compensation increases shown above are based on the results of an actuarial experience study for the period 2011 through 2016.

Inflation

2.60%. (Prior: 2.75%)

This assumption is based on long term historical inflation numbers. While near term averages have been lower, we do not believe this trend will continue indefinitely and expect that there will be a reversion to the long-term average.



Mortality

RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018.

(Prior: RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2017.)

Disabled: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with MP-2018.

(Prior: Disabled: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with MP-2017.)

Mortality Improvement

Projected to date of decrement using Scale MP-2018 (generational).

(Prior: Projected to date of decrement using Scale MP-2017 (generational).)

We have selected this mortality assumption because it is based on the latest published pension mortality study released by the Society of Actuaries.

Retirement age

Age	Years of Service	
	25-30	30+
50-54	10%	25%
55-69	10%	20%
70+	100%	100%

Termination prior to retirement

Age	Rate
<25	10.0%
25-29	5.8%
30-35	2.5%
36+	0.2%

Disability

Age	Police & Fire
20	0.12%
25	0.17%
30	0.22%
35	0.29%
40	0.44%
45	0.72%
50	1.21%
55	0.00%
60	0.00%

The actuarial assumptions in regards to rates of decrement shown above are based on the results of an actuarial experience study dated for the period 2011 through 2016. Rationale and the impact of the changes can be found in the study.



Administrative expenses

The estimate is based on actual expenses paid from the trust in the past 4 years.

Cost of living increases

4.7% every other year for all except Police hired after March 18, 2013. 3.5% every other year for Police hired after March 18, 2013.

Percent of active employees married

60%.

Spouse's age

Husbands are assumed to be 3 years older than wives.



Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Plan identification

Single-employer pension plan.

Bargaining Agreement

Police: July 1, 2010 - June 30, 2013

Fire: July 1, 2010 - June 30, 2014

Final Salary

Police: Base pay including longevity

Fire: Base pay including longevity

Normal Retirement

Eligibility:

Police: 20 years of service as a police officer and age 51.

Fire: Hired on or before September 1, 2017: 20 years of service as a member of the Fire Department, (25 years of service as an employee of the Town) and age 51 or 30 years of service with no minimum age.

Hired after September 1, 2017: 25 years of service and age 56.

Benefit:

Police: Hired prior to March 18, 2013: 2% of Final Salary for each year of service up to 10 years, 2.5% for each year 11-20, plus 3% for each year 21-25, plus 4% for each year 26-30.

Hired after March 18, 2013: 2% of Final Salary for each year of service up to 15 years, 2.5% for each year 16-25, plus 3% for each year 26-30.

Maximum benefit: 80% of Final Salary if hired prior to March 18, 2013, 70% of Final Salary if hired after March 18, 2013.

Fire: Hired on or before March 10, 2012: 2% of Final Salary for each year of service up to 10 years, plus 2.5% for each year 11-20, plus 3% for each year 21-25, plus 4% for each year in excess of 25 years.

Hired after March 10, 2012: 2% of Final Salary for each year of service up to 10 years, plus 2.5% for each year 11-20, plus 3% for each year 21-30.

Maximum benefit: 80% of Final Salary if hired on or before March 10, 2012, 75% of Final Salary if Hired after March 10, 2012.

Early Retirement

Eligibility:

Police: N/A.

Fire: 20 years of service as a member of the Fire Department and age 45, or 25 years of service as a member of the Fire Department.

Benefit:

Police: N/A.

Fire: Normal Retirement Benefit reduced 5/9% for the greater of the number of months under age 51 or less than 25 years of service.



Disability Retirement Benefit - Job related

Police: Hired prior to March 18, 2013: 2% of Final Salary for each year of service up to 10 years, 2.5% for each year 11-20, plus 3% for each year 21-25, plus 4% for each year 26-30.

Hired after March 18, 2013: 2% of Final Salary for each year of service up to 15 years, 2.5% for each year 16-25, plus 3% for each year 26-30.

Maximum benefit: 80% of Final Salary if hired prior to March 18, 2013, 70% of Final Salary if hired after March 18, 2013.

Minimum benefit: 66⅔% of Final Salary.

Fire: Hired on or before March 10, 2012: 2% of Final Salary for each year of service up to 10 years, plus 2.5% for each year 11-20, plus 3% for each year 21-25, plus 4% for each year in excess of 25 years.

Hired after March 10, 2012: 2% of Final Salary for each year of service up to 10 years, plus 2.5% for each year 11-20, plus 3% for each year 21-30.

Maximum benefit: 80% of Final Salary if hired on or before March 10, 2012, 75% of Final Salary if Hired after March 10, 2012.

Minimum benefit: 66⅔% of Final Salary.

Disability Retirement Benefit - Not Job Related

Eligibility:

Police: 5 years of continuous service.

Fire: 5 years of continuous service.

Benefit:

Police: Normal retirement benefits calculated using basic annual salary.

Fire: Normal retirement benefits calculated using basic annual salary.

Post-Retirement Death Benefit

Police: 75% of pension paid to spouse until death or remarriage, and then to children until youngest child reaches age 18.

Fire: 75% of pension paid to spouse until death or remarriage, and then to children until youngest child reaches age 18.

Pre-Retirement Death Benefit - Job Related

Police: 50% of Final Salary paid to spouse, plus \$500 per year for 10 years to widow or dependent children or dependent parents.

Fire: 50% of Final Salary paid to spouse, plus \$500 per year for 10 years to widow or dependent children or dependent parents.



Pre-Retirement Death Benefit - Not Job Related

Eligibility:

Police: Eligible to retire.

Fire: Eligible to retire.

Benefit:

Police: 75% of pension that employee would have received if retired day before death. Paid to spouse until death or remarriage, and then to children until youngest child reaches age 18.

Fire: 75% of pension that employee would have received if retired day before death. Paid to spouse until death or remarriage, and then to children until youngest child reaches age 18.

Deferred Vested Retirement Benefit

Eligibility:

Police: 10 years of full-time employment with the Town.

Fire: 10 years of full-time employment with the Town.

Benefit:

Police: 2% of Final Earnings times service, payable at the earlier of 25th anniversary of date of hire or age 51.

Fire: 2% of Final Earnings times service, payable at the earlier of 25th anniversary of date of hire or age 51.

Cost of Living Increases

Police: On July 1 of even numbered years, based on CPI-U, not to exceed 3% per year. If hired after March 18, 2013 COLA not to exceed 2% per year. No increases prior to age 51. No increases if retired with less than 25 years. Disability retirees always receive the increase.

Fire: On July 1 of even numbered years, based on CPI-U, not to exceed 6% for the 2 year period. No increases prior to age 51 unless they have 30 years of service. No increases if retired with less than 25 years of service. Disability retirees always receive the increase.

Employee Contributions

Police: 4.75% of basic salary including longevity. If eligible for maximum pension, 2.5% of basic salary including longevity. If plan is projected to be at least 120% funded for upcoming fiscal year, contribution will be deposited into the postretirement health fund instead.

Fire:

Effective Date	Contribution Percentage	If eligible for Max Pension: Percent of Basic Salary Included in Longevity
7/1/2017	4.75%	2.75%
7/1/2018	5.00%	3.00%
7/1/2019	5.25%	3.25%
7/1/2020	5.50%	3.50%

If plan is projected to be at least 120% funded for upcoming fiscal year, contribution will be deposited into the postretirement health fund instead.

Return of Contribution upon Termination or Death

Police: Excess of Contributions with Regular Interest over any pension payment received.

Fire: Excess of Contributions with Regular Interest over any pension payment received.