

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION  
JANUARY 1, 2016**

**May 2016**

**People's United Bank  
Retirement Services**  
P.O. Box 386  
Burlington, VT 05402

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Retirement Services**

P.O. Box 386  
Burlington, VT 05402

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**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION FOR  
JANUARY 1, 2016**

**ACTUARIAL STATEMENT**

This report is provided to the Plan Sponsor of the City of Rutland Employees Retirement System as the intended user, and reflects the actuarial valuation for the City of Rutland Employees Retirement System ("Plan") for the 2016 plan year.

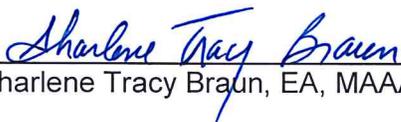
The actuarial valuation for the Plan has been prepared as of January 1, 2016 in accordance with generally accepted actuarial standards and practices, and to the best of our knowledge fairly reflects the actuarial position of the Plan as of the date.

The preparation of the actuarial valuation is based on the employee census data and Plan asset data furnished by the Plan Sponsor. The valuation is based on the Plan provisions as reflected in this valuation report. All information has been reviewed for reasonableness and consistency, but has otherwise been accepted and relied upon without audit.

The actuarial valuation is based on the actuarial assumptions outlined herein, which in our opinion, are reasonable in the aggregate, and when applied in combination, represent our best estimate of the measure of anticipated experience under the Plan.

Future actuarial valuation results may differ from the results reflected in this valuation due to such factors as follows: plan experience that differs from the anticipated experience; changes in economic or demographic assumptions; changes in plan provisions or applicable law; and changes in the operation of the funding methodology used in the plan valuation (such as the end of an amortization period).

We are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

  
\_\_\_\_\_  
Sharlene Tracy Braun, EA, MAAA

14-2264  
Enrollment No.

5/9/16  
Date

  
\_\_\_\_\_  
Erik Schait, EA, MAAA

14-8161  
Enrollment No.

5/9/16  
Date

## INTRODUCTION

This report reflects the actuarial valuation for the City of Rutland Employees Retirement System Plan ("Plan") for the 2016 plan year. The valuation is performed as of the beginning of the plan year, January 1, 2016. The valuation measures the Plan liabilities as of January 1, 2016 and compares those liabilities with the Plan assets as of that date, to determine the contribution required to properly fund the Plan on an ongoing basis.

In preparing this valuation we have relied on the asset information and distribution information provided by Prudential and the employee data provided by the City of Rutland for the 2015 calendar year.

### Valuation Results

The following is a summary of the valuation results, compared to the prior valuation report:

	<b>City</b>	<b>Board of Education</b>	<b>Total 1/1/2016</b>	<b>Total 1/1/2015</b>
<b>Participants</b>	<b>269</b>	<b>852</b>	<b>1,121</b>	<b>1,146</b>
Active:	112	456	568	617
Retiree/Beneficiaries:	114	272	386	372
Terminated and Non-Vested:	6	61	67	67
Terminated and Vested:	43	124	167	90
<b>Total Covered Payroll:</b>	<b>\$6,530,757</b>	<b>\$21,584,189</b>	<b>\$28,114,946</b>	<b>\$29,597,118</b>
<b>Market Value of Assets:</b>	<b>\$23,696,304</b>	<b>\$49,880,593</b>	<b>\$73,576,897</b>	<b>\$75,134,595</b>
<b>Actuarial Value of Assets:</b>	<b>\$24,499,459</b>	<b>\$51,435,070</b>	<b>\$75,934,529</b>	<b>\$72,646,720</b>
<b>Actuarial Accrued Liability:</b>	<b>\$41,738,167</b>	<b>\$62,013,361</b>	<b>\$103,751,528</b>	<b>\$99,765,241</b>
<b>Unfunded Accrued Liability:</b>	<b>\$17,238,708</b>	<b>\$10,578,291</b>	<b>\$27,816,999</b>	<b>\$27,118,521</b>
<b>Actuarial Funded Status:</b>	<b>58.70%</b>	<b>82.94%</b>	<b>73.19%</b>	<b>72.82%</b>
<b>Market Funded Status:</b>	<b>56.77%</b>	<b>80.44%</b>	<b>70.92%</b>	<b>75.31%</b>
<b>Recommended Employer Plan Contribution (end of year):</b>				
Normal Cost:	\$736,894	\$726,488	\$1,463,382	\$1,625,639
Amortization Payment:	\$1,459,623	\$895,677	\$2,355,300	\$2,296,158
<b>Total:</b>	<b>\$2,196,517</b>	<b>\$1,622,165</b>	<b>\$3,818,682</b>	<b>\$3,921,797</b>
<b>Percent of Payroll:</b>	<b>33.63%</b>	<b>7.52%</b>	<b>13.58%</b>	<b>13.25%</b>
<b>Employer Contribution:</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$2,723,199</b>
<i>(Includes receivable contributions)</i>				

## **Value of Plan Assets**

The market value of total assets is \$73,576,897 as of the valuation date, January 1, 2016. The asset reconciliation reflected a gain of approximately -.23% in 2015, versus the expected return of 7.50%.

For purposes of determining the recommended contribution, a smoothing method is applied to the market value of the assets to generate an actuarial value of the assets. This methodology mitigates the effect of significant swings in the investment market. In applying this methodology, the resulting actuarial value of assets is limited to no less than 80% and no more than 120% of the actual market value. This year the actuarial value of assets is \$75,934,529, which is 103.20% of the market value of assets. Please refer to Pages 6-7 of the valuation report for more detail.

## **Funded Status**

The actuarial accrued liability under the Plan as of 1/1/2016 is \$103,751,528 which is made up of \$41,738,167 actuarial accrued liability for City employees and \$62,013,361 for Board of Education (BOE) employees. Compared to the actuarial asset value of \$75,934,529, the plan is 73.19% funded overall, with the City at 58.70% and the BOE at 82.94%.

The breakdown of total plan Unfunded Accrued Liability (UAL) over the period from 1/1/2015 to 1/1/2016, is as follows:

	<u>2014</u>	<u>2015</u>	<u>Change</u>
Total Unfunded Accrued Liability:	\$27,118,521	\$27,816,999	2.58%
City Unfunded Accrued Liability:	\$16,206,735	\$17,238,708	6.37%
BOE Unfunded Accrued Liability:	\$10,911,786	\$10,578,291	-3.05%

The fact that the BOE employer contribution exceeded the 2015 recommended amount, helped to decrease the UAL for the Board of Education portion of the Plan. The City UAL increased primarily due to the fact the employer contribution to the Plan was only 32% of the recommended amount and the return on assets were negative during the year.

## **Change in Plan Provisions**

The plan was restated effective January 1, 2016. The restatement added a that non-union or Board of Education employee may not have an adjusted retirement date before age 55.

## **Effects of Plan Provision Changes**

The changes to liability resulting from the plan provision change were minimal. The total effect on the plan was a reduction in liabilities of approximately \$50,000.

## **Employee Data**

Based on employee data provided by the City, the covered employee group decreased from 1,146 to 1,121. The City covered group decreased from 295 to 269. The BOE covered group increased from 851 to 852.

Active participants decreased from 617 to 568. Active City employees decreased from 142 to 112. Active BOE employees decreased from 475 to 456. A reduction in police employees resulted from the transfer of several employees to VMERS.

The retired participants increased from 372 to 386. Retired City participants increased from 113 to 114. Retired BOE employees increased from 259 to 272.

Terminated participants due a benefit increased from 157 to 167. Terminated City participants increased from 40 to 43. Terminated BOE participants increased from 117 to 124.

Please refer to Page 9 of the valuation report for the details for each employee group.

### **Assumptions and Experience Study**

We last did a full comprehensive review of plan assumptions for the 2013 valuation. We are recommending that an updated experience study be done to assess the assumptions for the 2017 valuation.

The Society of Actuaries has released an updated mortality table and mortality projection scale. We considered updating the mortality table for the plan for the most up to date tables that were published. However, due to the current plan demographics and plan specific mortality it was decided not to update the mortality tables for the 2016 plan year. In addition, VMERS and VSTRS are two plans which have demographics which closely resemble the demographic makeup of the City of Rutland Pension Plan. Participants in these plans have a similar environment and mortality experience as those in this plan. These plans have the experience necessary to fully assess mortality experience and to date have not adopted the update mortality tables.

As part of the experience study we intend to take a more detailed look and may update the mortality tables at that time.

### **Recommended Employer Contribution for 2016**

The recommended employer contribution for 2016 is \$3,818,682 which is 13.58% of covered payroll compared to \$3,921,797 in 2015 (13.25% of payroll).

The recommended employer contribution for the City is \$2,196,517 which is 33.63% of payroll, compared to \$2,239,864 in 2015 (28.35% of payroll). The recommended employer contribution for the Board of Education is \$1,622,165 which is 7.52% of payroll, compared to \$1,681,200 in 2015 (7.75% of payroll).

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF ACTUARIAL VALUATION**

Summary of Contribution for the Plan Year	City	Board of Education	2016	2015
Recommended Contribution:	2,196,517	1,622,165	3,818,682	3,921,797
Actual Contribution:	---	---	---	2,723,199
<b>Participant Data</b>				
Participants currently employed:	112	456	568	617
Terminated Participants :	43	124	167	157
Retired Participants receiving benefits:	114	272	386	372
Total participants included in current year valuation:	269	852	1,121	1,146
Aggregate compensation of active participants:	6,530,757	21,584,189	28,114,946	29,597,118
Average annual compensation:	58,310	47,334	49,498	47,969
<b>Asset Data</b>				
Fair market value of Plan assets:	23,696,304	49,880,593	73,576,897	75,134,595
Actuarial asset value:	24,499,459	51,435,070	75,934,529	72,646,720
IRS determined rate of return on market value during yea	-0.23%	-0.23%	-0.23%	6.20%
<b>Summary of Funding and Recommended Contribution</b>				
Actuarial Accrued Liability:	41,738,167	62,013,361	103,751,528	99,765,241
Actuarial Value of Assets:	24,499,459	51,435,070	75,934,529	72,646,720
Unfunded Actuarial Accrued Liability:	17,238,708	10,578,291	27,816,999	27,118,521
Employer Normal Cost as of the end of the Plan Year:	736,894	726,488	1,463,382	1,625,639
Amortization of Unfunded Liability as of the end of Year: (based on 30 year amortization)	1,459,623	895,677	2,355,300	2,296,158
Total Recommended Employer Contribution:	2,196,517	1,622,165	3,818,682	3,921,797
Funded ratio based on Actuarial Value of Assets:	58.70%	82.94%	73.19%	72.82%
Funded ratio based on Market Value of Assets:	56.77%	80.44%	70.92%	75.31%
Valuation Date:	01/01/2016	01/01/2016	01/01/2016	01/01/2015

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF ACTUARIAL VALUATION**

	<b>Police</b>	<b>Fire</b>	<b>DPW</b>	<b>General</b>	<b>City Total</b>	<b>Board of Education</b>	<b>Total</b>
Total Normal Cost:	\$275,684	\$205,313	\$376,631	\$179,994	\$1,037,622	\$1,586,443	\$2,624,064
Expected Employee Contributions:	\$85,339	\$102,967	\$139,655	\$60,384	\$388,345	\$964,434	\$1,352,778
Administrative Expenses:	\$10,560	\$8,563	\$10,293	\$6,789	\$36,206	\$53,794	\$90,000
Employer Normal Cost as of January 1, 2016: (1) - (2) +(3)	\$200,905	\$110,909	\$247,270	\$126,399	\$685,483	\$675,803	\$1,361,286
Actuarial Accrued Liability:	\$12,173,654	\$9,871,535	\$11,866,281	\$7,826,696	\$41,738,166	\$62,013,362	\$103,751,528
Actuarial Value of Assets:	\$7,145,689	\$5,794,391	\$6,965,267	\$4,594,112	\$24,499,459	\$51,435,070	\$75,934,529
Unfunded Actuarial Accrued Liability (UAAL) (5) - (6):	\$5,027,965	\$4,077,144	\$4,901,014	\$3,232,584	\$17,238,707	\$10,578,292	\$27,816,999
Amortization of UAAL Over 30 Years Payable December 31, 2016:	\$425,724	\$345,217	\$414,975	\$273,707	\$1,459,623	\$895,677	\$2,355,300
Employer Normal Cost as of December 31, 2016:	\$215,973	\$119,227	\$265,815	\$135,879	\$736,894	\$726,488	\$1,463,382
Covered Payroll:	\$1,350,295	\$1,260,688	\$2,634,999	\$1,284,774	\$6,530,757	\$21,584,189	\$28,114,946
<b>Total Recommended Plan Contribution for 2016 Plan Year:</b>	<b>\$727,036</b>	<b>\$567,411</b>	<b>\$820,445</b>	<b>\$469,970</b>	<b>\$2,584,862</b>	<b>\$2,586,599</b>	<b>\$5,171,461</b>
Total Plan Contribution as a % of Covered Payroll:	53.84%	45.01%	31.14%	36.58%	39.58%	11.98%	18.39%
Expected Employee Contributions:	\$85,339	\$102,967	\$139,655	\$60,384	\$388,345	\$964,434	\$1,352,778
Expected Employee Contributions as a % of Covered Payroll:	6.32%	8.17%	5.30%	4.70%	5.95%	4.47%	4.81%
<b>Recommended Employer Contribution Payable December 31, 2016 (8) + (9):</b>	<b>\$641,697</b>	<b>\$464,444</b>	<b>\$680,790</b>	<b>\$409,586</b>	<b>\$2,196,517</b>	<b>\$1,622,165</b>	<b>\$3,818,682</b>
Recommended Employer Contribution as a % of Covered Payroll:	47.52%	36.84%	25.84%	31.88%	33.63%	7.52%	13.58%

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PLAN ASSET EXPERIENCE DURING THE PLAN YEAR**

<b>Summary of Income, Expenses and Rate of Return</b>	<b>City</b>	<b>Board of Education</b>	<b>Combined 2015</b>	<b>Combined 2014</b>
1. Asset Fair Market Value at January 1:	24,221,416	47,428,219	75,008,415	71,649,634
2. Employer Contribution for prior Plan year:	78,056	0	78,056	9,637
3. Employee Contribution for prior Plan Year	48,124	0	48,124	0
4. Adjusted Beginning Balance at January 1:	24,347,595	47,428,219	75,134,594	71,659,271
5. Employer Contribution for current Plan Year	621,439	1,942,390	2,563,829	2,623,463
6. Employee Contribution for current Plan Year	372,984	893,763	1,266,747	1,256,068
7. Benefit Payments made from the Plan:	(2,205,141)	(3,255,469)	(5,460,610)	(4,938,334)
8. Fees Paid:	(38,462)	(78,147)	(116,609)	(86,605)
9. Net Investment Earnings (including realized and unrealized):	(16,946)	(34,964)	(51,910)	4,494,552
10. Asset Fair Market Value at December 31 (1+2+3+5+6+7+8+9)	23,600,690	49,735,352	73,336,042	75,008,415
11. Receivable Employer Contribution for prior Plan Year:	60,304	99,065	159,369	78,056
12. Receivable Employee Contributions for prior Plan Year:	35,310	46,176	81,485	48,124
13. Total Plan Assets:	23,696,304	49,880,593	73,576,897	75,134,595
14. IRS determined annual rate of return for year:	-0.23%	-0.23%	-0.23%	6.20%

**Allocation of Assets**

For the January 1, 2009 Valuation the plan assets were allocated separately to the City of Rutland and the Board of Education. This allocation was based on the historical transactions from 01/01/2001 through 01/01/2009. On 01/01/2001 the Plan Assets were 107% of the Plan Liabilities. Since 01/01/2001 changes were made in benefit levels and contribution levels by the City and the Board of Education, therefore, the assets have been allocated based on actual plan liability for each group and actual contributions.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**DETERMINATION OF ACTUARIAL VALUE OF ASSETS**

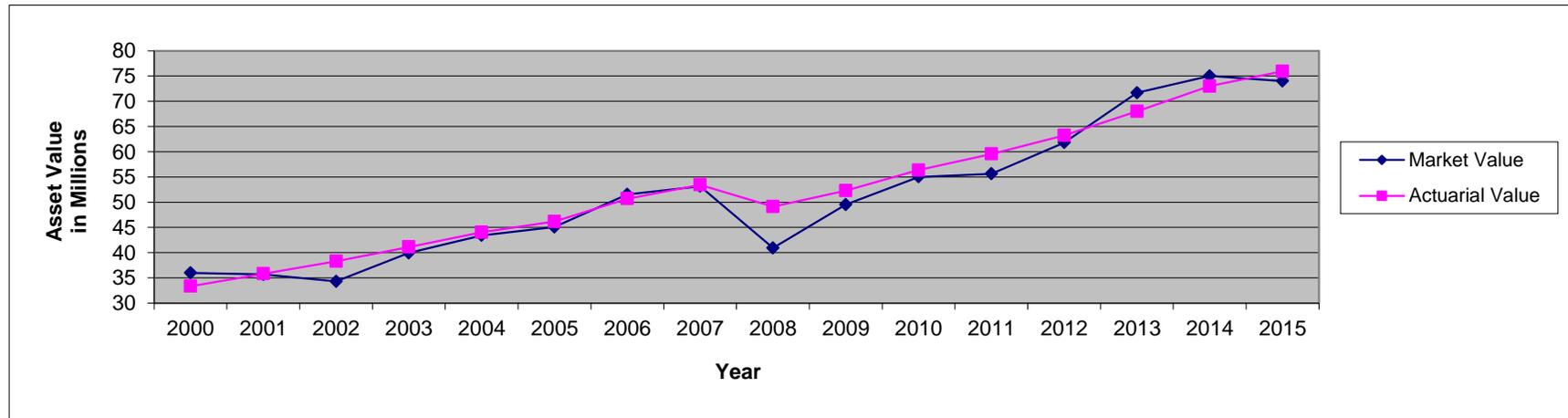
	Year End	
	12/31/2014	12/31/2015
1. Actuarial value of assets at beginning of year:	67,978,544	72,646,720
2. Contribution less benefit payments and operating expenses:	(1,135,771)	(1,746,643)
3. Average actuarial value of the fund, 1 + 50%(2):	67,410,658	71,773,398
4. Assumed net investment income, at 7.5%:	5,055,799	5,383,005
5. Preliminary value of assets at the end of the year, 1+2+4:	71,898,572	76,283,082
6. Market Value of assets at the end of the year (excludes receivables):	75,008,415	73,336,042
7. Smoothing adjustment, 20%(6-5):	621,969	(589,408)
8. Actuarial value of assets, 5+7 but not <80% or >120% of 6:	72,520,541	75,693,674
9. Contribution receivables:	126,180	240,855
10. Final actuarial value of assets, 8+9:	72,646,720	75,934,529
11. Actuarial value of assets as a percent of market value of assets, 8/(6+9):	96.69%	103.20%
12. Allocation of Actuarial Value of Assets		
City of Rutland:	24,093,635	24,499,459
Board of Education:	48,553,085	51,435,070
Total:	72,646,720	75,934,529

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PLAN ASSET EXPERIENCE DURING THE PLAN YEAR**

<b>Year Ended December 31</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>	<b>Net Investment Return</b>	<b>Administrative Expenses</b>	<b>Benefit Payments</b>	<b>Market Value of Assets</b>	<b>Actuarial Value of Assets</b>
2000	728,902	370,087	2,905,463	16,449	1,126,251	35,983,639	33,351,605
2001	832,291	343,011	2,625,341	40,170	1,289,470	35,676,073	35,822,508
2002	1,560,078	487,140	1,850,005	42,111	1,395,403	34,308,508	38,282,217
2003	1,209,778	403,259	2,742,732	41,746	1,461,294	39,943,385	41,134,946
2004	1,256,699	418,890	3,116,245	71,737	1,806,900	43,411,905	44,048,143
2005	756,733	308,280	3,202,083	14,600	2,106,977	45,075,493	46,193,632
2006	2,490,603	443,545	3,886,775	9,200	2,309,369	51,525,766	50,695,986
2007	1,717,816	795,470	2,786,827	28,065	2,605,285	53,172,934	53,455,121
2008	2,682,486	918,085	(12,788,325)	118,835	2,928,526	40,927,819	49,113,382
2009	1,864,294	1,015,802	8,656,469	90,857	3,172,215	49,512,330	52,277,707
2010	2,655,901	1,109,869	5,292,308	74,610	3,490,271	55,005,527	56,345,063
2011	2,533,378	1,112,541	945,008	95,017	3,853,461	55,647,975	59,550,538
2012	2,593,278	1,131,988	6,828,345	101,722	4,299,715	61,800,149	63,249,120
2013	2,637,514	1,181,866	10,747,830	73,273	4,634,815	71,659,271	67,988,181
2014	2,701,519	1,304,191	4,494,552	86,605	4,938,334	75,134,595	72,646,720
2015	2,723,199	1,348,232	(51,910)	116,609	5,460,610	73,576,897	75,934,529



**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**RECONCILIATION OF PARTICIPANT DATA**

A. Actively Employed Participants	2015	2016	Change
1. City of Rutland			
a. Police:	43	21	
b. Fire:	25	23	
c. DPW:	52	49	
d. General:	22	19	
e. Total:	142	112	
2. Board of Education:	475	456	
3. Total Plan:	<b>617</b>	<b>568</b>	<b>-7.94%</b>
<b>B. Terminated and Inactive Participants</b>			
1. City of Rutland			
a. Police:	14	16	
b. Fire:	1	1	
c. DPW:	10	10	
d. General:	15	16	
e. Total:	40	43	
2. Board of Education:	117	124	
3. Total Plan:	<b>157</b>	<b>167</b>	<b>6.37%</b>
4. Total Terminated Non-Vested Participants:	<b>67</b>	<b>67</b>	
5. Total Terminated Vested and Inactive Participants:	<b>90</b>	<b>100</b>	
<b>C. Retired Participants/Beneficiaries in Pay Status</b>			
1. City of Rutland			
a. Police:	29	29	
b. Fire:	25	26	
c. DPW:	29	29	
d. General:	30	30	
e. Total:	113	114	
2. Board of Education:	259	272	
3. Total Plan:	<b>372</b>	<b>386</b>	<b>3.76%</b>
<b>D. Total Participants at end of plan year (A3+B3+C3):</b>	<b>1,146</b>	<b>1,121</b>	<b>-2.18%</b>

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**RECOMMENDED CONTRIBUTION FOR THE ENTIRE PLAN**

	2015	% of Payroll	2016	% of Payroll
1. Total normal cost as of January 1:	2,779,208	9.39%	2,624,064	9.33%
2. Administrative expenses:	80,000	0.27%	90,000	0.32%
3. Expected employee contributions:	(1,346,985)	4.55%	(1,352,778)	4.81%
4. Employer normal cost, 1+2+3:	1,512,223	5.11%	1,361,286	4.84%
5. Actuarial accrued liability:				
Active Participants:	48,269,210		47,487,336	
Terminated Vested Participants:	3,574,528		4,449,896	
Retirees and Beneficiaries:	47,921,503		51,814,296	
Total:	99,765,241		103,751,528	
6. Actuarial value of assets:	72,646,720		75,934,529	
7. Unfunded actuarial accrued liability:	27,118,521		27,816,999	
8. Employer normal cost projected to December 31:	1,625,639		1,463,382	
9. Payment on unfunded actuarial accrued liability:	2,296,158	7.76%	2,355,300	8.38%
10. Total recommended contribution, 8+9:	3,921,797	13.25%	3,818,682	13.58%
11. Annualized Payroll:	29,597,118		28,114,946	
12. Funded Status:	72.82%		73.19%	

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**RECOMMENDED CONTRIBUTION FOR CITY EMPLOYEES**

	2015	% of Payroll	2016	% of Payroll
1. Total normal cost as of January 1:	1,175,221	14.87%	1,037,622	15.89%
2. Administrative expenses:	32,316	0.41%	36,206	0.55%
3. Expected employee contributions:	(400,448)	5.07%	(388,345)	5.95%
4. Employer normal cost, 1+2+3:	807,089	10.21%	685,483	10.50%
5. Actuarial accrued liability:				
Active Participants:	19,259,812		18,588,141	
Terminated Vested Participants:	1,664,818		2,422,796	
Retirees and Beneficiaries:	19,375,740		20,727,230	
Total:	40,300,370		41,738,167	
6. Actuarial value of assets:	24,093,635		24,499,459	
7. Unfunded actuarial accrued liability:	16,206,735		17,238,708	
8. Employer normal cost projected to December 31:	867,620		736,894	
9. Payment on unfunded actuarial accrued liability:	1,372,244	17.37%	1,459,623	22.35%
10. Total recommended contribution, 8+9:	2,239,864	28.35%	2,196,517	33.63%
11. Annualized Payroll:	7,901,130		6,530,757	
12. Funded Status:	59.79%		58.70%	

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**RECOMMENDED CONTRIBUTION FOR BOARD OF EDUCATION EMPLOYEES**

	2015	% of Payroll	2016	% of Payroll
1. Total normal cost as of January 1:	1,603,987	7.39%	1,586,443	7.35%
2. Administrative expenses:	47,684	0.22%	53,794	0.25%
3. Expected employee contributions:	(946,537)	4.36%	(964,434)	4.47%
4. Employer normal cost, 1+2+3:	705,134	3.25%	675,803	3.13%
5. Actuarial accrued liability:				
Active Participants:	29,009,398		28,899,195	
Terminated Vested Participants:	1,909,710		2,027,100	
Retirees and Beneficiaries:	28,545,763		31,087,066	
Total:	59,464,871		62,013,361	
6. Actuarial value of assets:	48,553,085		51,435,070	
7. Unfunded actuarial accrued liability:	10,911,786		10,578,291	
8. Employer normal cost projected to December 31:	758,019		726,488	
9. Payment on unfunded actuarial accrued liability:	923,914	4.26%	895,677	4.15%
10. Total recommended contribution, 8+9:	1,681,933	7.75%	1,622,165	7.52%
11. Annualized Payroll:	21,695,988		21,584,189	
12. Funded Status:	81.65%		82.94%	

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB**

**SCHEDULE OF FUNDING PROGRESS**

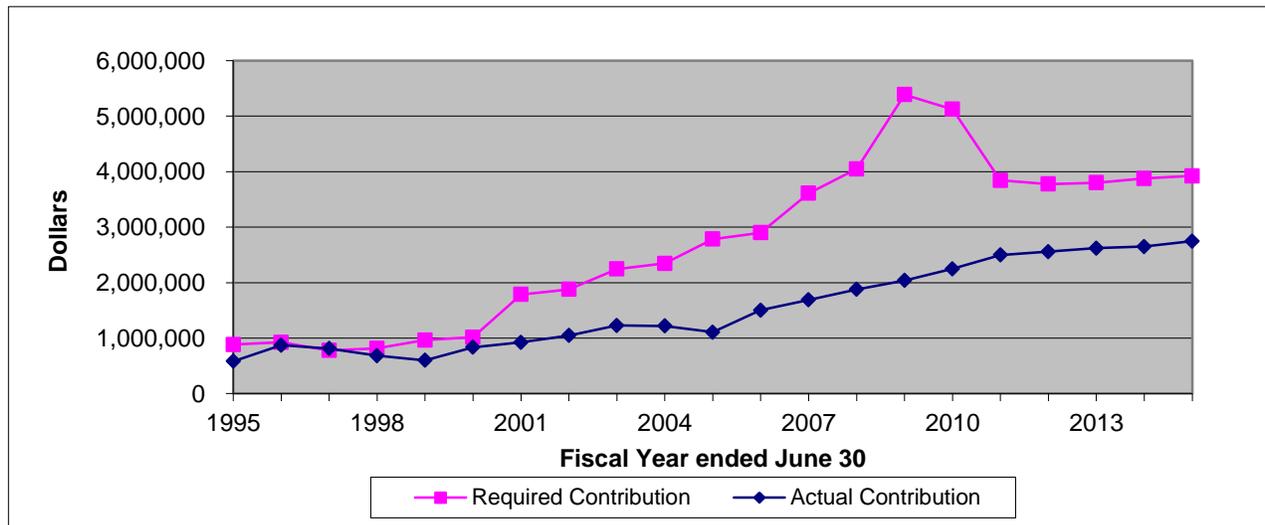
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Underfunded/ (Overfunded) AAL (UAAL) (b)-(a)</b>	<b>Funded Ratio (a)/(b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)</b>
1/1/1997	21,887,900	19,977,000	(1,910,900)	109.57%	12,078,200	-15.82%
1/1/1998	N/A	N/A	N/A	N/A	N/A	N/A
1/1/1999	27,234,000	24,768,100	(2,465,900)	109.96%	14,460,600	-17.05%
1/1/2000	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2001	33,351,605	33,510,388	158,783	99.53%	17,495,402	0.91%
1/1/2002	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2003	38,282,217	40,132,181	1,849,964	95.39%	19,456,272	9.51%
1/1/2004	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2005	44,048,143	48,348,202	4,300,059	91.11%	22,137,295	19.42%
1/1/2006	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2007	50,695,986	59,831,977	9,135,991	84.73%	24,161,425	37.81%
1/1/2008	53,598,552	66,495,591	12,897,039	80.60%	25,641,832	50.30%
1/1/2009	49,414,401	71,277,825	21,863,424	69.33%	26,389,650	82.85%
1/1/2010	52,555,207	76,305,676	23,750,469	68.87%	26,914,829	88.24%
1/1/2011	56,345,063	79,951,469	23,606,406	70.47%	27,594,551	85.55%
1/1/2012	59,550,537	82,683,836	23,133,299	72.02%	27,838,575	83.10%
1/1/2013	63,249,120	89,935,809	26,686,689	70.33%	28,416,600	93.91%
1/1/2014	67,988,181	94,836,584	26,848,403	71.69%	28,733,550	93.44%
1/1/2015	72,646,720	99,765,241	27,118,521	72.82%	29,597,118	91.63%
1/1/2016	75,934,529	103,751,528	27,816,999	73.19%	28,114,946	98.94%

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SCHEDULE OF FUNDING PROGRESS BASED ON FISCAL YEAR - ENTIRE PLAN**

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
1995	883,300	582,900	65.99%
1996	925,200	873,800	94.44%
1997	776,500	812,600	104.65%
1998	815,800	683,900	83.83%
1999	964,800	599,900	62.18%
2000	1,015,000	834,711	82.24%
2001	1,787,161	923,954	51.70%
2002	1,877,432	1,048,297	55.84%
2003	2,246,572	1,227,415	54.64%
2004	2,345,116	1,219,458	52.00%
2005	2,785,751	1,107,169	39.74%
2006	2,899,920	1,501,794	51.79%
2007	3,609,894	1,690,335	46.83%
2008	4,048,303	1,877,860	46.39%
2009	5,388,980	2,039,388	37.84%
2010	5,125,675	2,249,457	43.89%
2011	3,842,585	2,498,651	65.03%
2012	3,775,872	2,559,636	67.79%
2013	3,799,091	2,622,349	69.03%
2014	3,878,478	2,649,918	68.32%
2015	3,921,797	2,746,100	70.02%



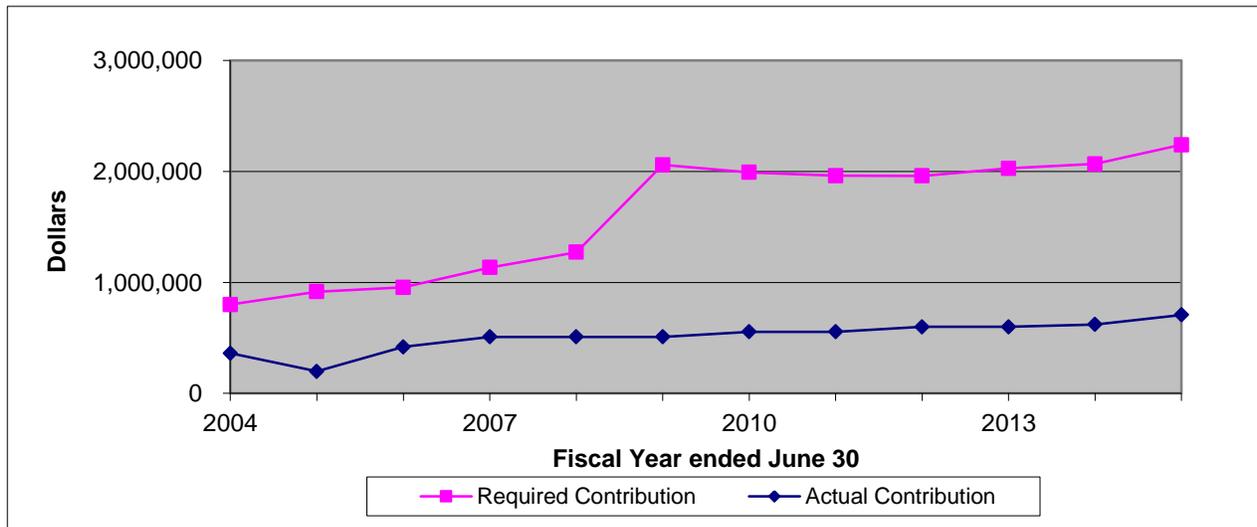
In prior fiscal years the actuarially determined contribution for the January 1 prior to the beginning of the fiscal year was reported as the actuarially determined contribution for the fiscal year. The alignment was changed with GASB 67/68. The actuarially contributions shown are the January 1 contribution during the fiscal year. For example, the 2015 fiscal year actuarially required contribution is the January 1, 2015 funding contribution.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SCHEDULE OF FUNDING PROGRESS BASED ON FISCAL YEAR - CITY ONLY**

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2004	800,067	361,708	45.21%
2005	916,949	198,237	21.62%
2006	954,528	418,543	43.85%
2007	1,134,839	510,000	44.94%
2008	1,272,606	510,000	40.08%
2009	2,058,984	510,000	24.77%
2010	1,991,572	555,000	27.87%
2011	1,962,172	555,000	28.28%
2012	1,959,704	600,000	30.62%
2013	2,028,112	600,000	29.58%
2014	2,067,870	621,135	30.04%
2015	2,239,864	707,081	31.57%



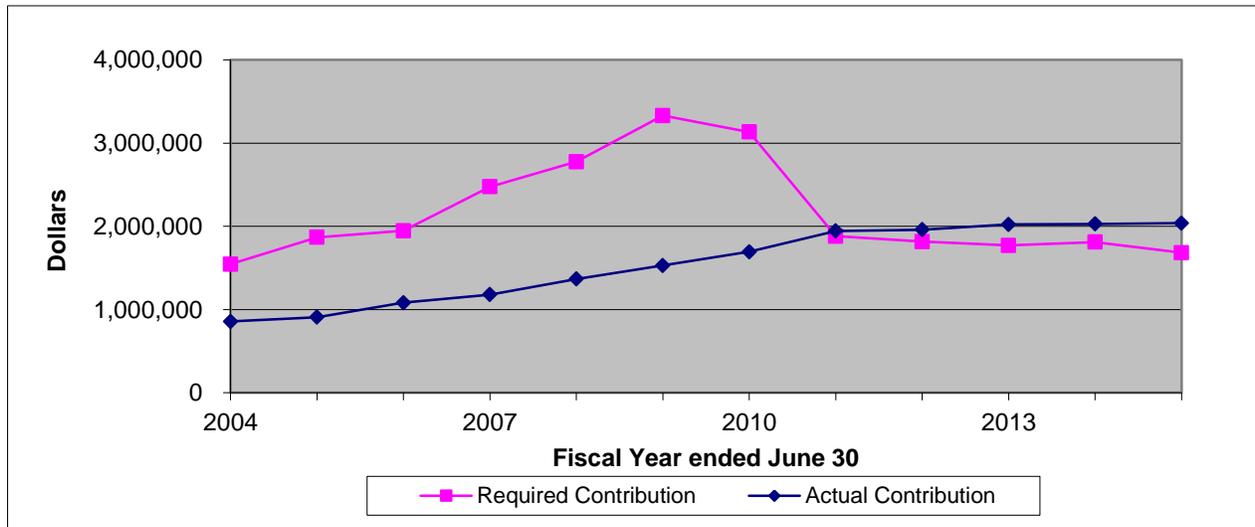
In prior fiscal years the actuarially determined contribution for the January 1 prior to the beginning of the fiscal year was reported as the actuarially determined contribution for the fiscal year. The alignment was changed with GASB 67/68. The actuarially contributions shown are the January 1 contribution during the fiscal year. For example, the 2015 fiscal year actuarially required contribution is the January 1, 2015 funding contribution.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SCHEDULE OF FUNDING PROGRESS BASED ON FISCAL YEAR - BOARD OF EDUCATION ONLY**

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2004	1,545,049	857,750	55.52%
2005	1,868,802	908,932	48.64%
2006	1,945,392	1,083,251	55.68%
2007	2,475,055	1,180,334	47.69%
2008	2,775,697	1,367,860	49.28%
2009	3,329,996	1,529,388	45.93%
2010	3,134,103	1,694,457	54.07%
2011	1,880,413	1,943,651	103.36%
2012	1,816,168	1,959,636	107.90%
2013	1,770,979	2,022,349	114.19%
2014	1,810,608	2,028,783	114.56%
2015	1,681,933	2,039,020	121.23%



In prior fiscal years the actuarially determined contribution for the January 1 prior to the beginning of the fiscal year was reported as the actuarially determined contribution for the fiscal year. The alignment was changed with GASB 67/68. The actuarially contributions shown are the January 1 contribution during the fiscal year. For example, the 2015 fiscal year actuarially required contribution is the January 1, 2015 funding contribution.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**ACTUARIAL ASSUMPTIONS AND COST METHOD**

**ACTUARIAL VALUATION DATE:** January 1, 2016

**VALUATION INTEREST RATES:**

Pre-retirement period: 7.50%  
Post-retirement period: 7.50%

**SALARY INCREASES:** 4.00%

**EMPLOYEE CONTRIBUTION CREDITING RATE:** Varies - See Plan Provisions

**VALUATION MORTALITY:**

Healthy: 2016 430(h) Annuitant & Non-Annuitant  
Disabled: PBGC Table for Disabled Participants  
receiving Social Security Benefits

**TURNOVER:**

Fire and DPW: Crocker Sarason T-1 Table

All Others: Crocker Sarason T-6 Table

**DISABILITY AND DEATH:**

Police and Fire: 75% of disabilities and deaths assumed to be service related.

All Others: 25% of disabilities and deaths assumed to be service related.

**ASSUMED RETIREMENT AGE:**

Deferred Vested Participants: Normal Retirement Age

Active Employees:

Police: Earlier of age 62 or age plus service equal to 80.

Fire: Earlier of age 65 or age plus service equal to 85.

DPW: Earlier of age 62 or 5 years of service (if later) or age plus service equal to 85.

General: Earlier of age 62 or 5 years of service (if later), or age plus service equal to 80 at age 55 or later

Board of Education: For employees age 60 on 7/1/2014 - the earlier of age 62 or 5 years of service (if later), or attainment of Rule at age 55 or later

For employees not age 60 on 7/1/2014 - the earlier of age 65 or 5 years of service (if later), or attainment of Rule, at age 55 or later

If employee met Rule of 80 on 7/1/2014 the applicable Rule is when age plus service equal 80. For all other employees the applicable Rule is when age plus service equals 85. Rule applicable at age 55 or later.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**ACTUARIAL ASSUMPTIONS AND COST METHOD**

<b>COMPENSATION BASIS:</b>	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions, and any other additional compensation.
<b>IRC SECTION 401(a)(17) MAXIMUM COMPENSATION LIMIT:</b>	\$260,000
<b>IRC SECTION 415(b) MAXIMUM BENEFIT LIMIT:</b>	\$210,000
<b>ADMINISTRATIVE EXPENSE:</b>	\$80,000
<b>FORM OF PAYMENT:</b>	Life Annuity
<b>PERCENT MARRIED (3 year setback on females):</b>	75%
<b>COST OF LIVING INCREASES</b>	1.5% for applicable employees
<b>AMORTIZATION PERIOD:</b>	Rolling 30 year
<b>ASSET VALUATION METHOD:</b>	

The actuarial value of assets is calculated as follows:

- (1) the actuarial value at the beginning of the year, plus contributions and expected investment earnings, less benefit payments; plus
- (2) 20% of the difference between the market value at the end of the year and the adjusted actuarial value in (1) above
- (3) Not to exceed 80-120% of the actual market value.

**ACTUARIAL COST METHOD:** Projected Unit Credit

Under the Projected Unit Credit actuarial cost method, annual contributions are the sum of the normal cost, plus the amortization of the unfunded actuarial accrued liability over a fixed period of years. The normal cost is the sum of the present value of the projected benefit allocable to each participant during the current plan year. The actuarial accrued liability is the actuarial present value of the projected benefits allocable to all participants based on service as of the valuation date. The unfunded actuarial accrued liability is the excess, if any, of the accrued liability over the plan assets. Actuarial gains and losses, resulting from the difference between the actual and expected unfunded accrued liabilities are amortized over 30 years.

**Assumptions were last set effective January 1, 2013 based on an experience study performed using plan year data from 2008 to 2012. Each assumption was set based on a combination of past experience and future expectations. Assumptions are reviewed annually for reasonableness. It is anticipated that an experience study will be done effective January 1, 2017, based on plan year data for 2012 through 2016.**

**The discount rate is set by the City of Rutland. It is our understanding the City sets this assumption with consultation from their investment provider. We believe the discount rate to be reasonable but lack the expertise to properly evaluate the expected return on plan assets based on the asset allocation of the plan. All other assumptions are set by the Actuary in consultation with the City of Rutland.**

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - POLICE**

<b>PLAN EFFECTIVE DATE:</b>	January 1, 1938
<b>PLAN YEAR:</b>	January 1 through December 31
<b>ELIGIBILITY:</b>	No age or service requirement. Police employees hired after 10/31/2014 shall not be eligible to participate.
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>NORMAL RETIREMENT DATE:</b>	First day of the month following age 62, or if Rule of 75 met, age 60
<b>EARLY RETIREMENT DATE:</b>	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
<b>ADJUSTED RETIREMENT DATE:</b>	First day of the month following the date that age plus credited service equals 75
<b>COMPENSATION:</b>	Rate of annual basic compensation on January 1, excluding overtime except as provided in the collective bargaining agreement, bonuses, commissions and any other additional compensation.
<b>FINAL AVERAGE COMPENSATION:</b>	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
<b>RETIREMENT BENEFIT:</b>	2.00% of Final Average Compensation for each year of service before 01/01/2007, plus 2.5% of Final Average Compensation for each year of service after 01/01/2007.
<b>NORMAL BENEFIT PAYMENT FORM:</b>	Life Annuity, with refund.
<b>ADJUSTED RETIREMENT BENEFIT:</b>	Retirement Benefit unreduced for payment at Adjusted Retirement Date
<b>EARLY RETIREMENT BENEFIT:</b>	Retirement Benefit is reduced for early commencement of payments, by reducing the Retirement Benefit at Normal Retirement Date by the following percentages: 1/2 of 1% for each month prior to the employee's Normal Retirement Date.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - POLICE**

<b>POSTPONED RETIREMENT:</b>	Benefit calculated and payable as of actual retirement date.
<b>DISABILITY RETIREMENT:</b>	<p><u>Non-Service Related:</u> No age requirement; 5 years of participation. Benefit is accrued benefit at date of disability.</p> <p><u>Service Related:</u> No age or service requirement. Benefit is 100% of the projected normal retirement benefit assuming constant future earnings and service to age 62, payable after 6 months.</p>
<b>PRE-RETIREMENT DEATH BENEFIT:</b>	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none"><li>(1) Must be active employee and eligible to retire early.</li><li>(2) Benefit is 75% of participant's accrued benefit, reduced for early commencement and paid as if 50% Joint and Survivor option had been elected, payable to spouse.</li><li>(3) If not eligible for spouse benefit, death benefit is return of employee contributions with interest.</li></ul> <p><u>Service Related:</u></p> <ul style="list-style-type: none"><li>(1) No age or service requirement.</li><li>(2) 100% of deceased participant's projected normal retirement benefit based on service to age 62, payable to spouse or children up to age 19.</li></ul>
<b>POST-RETIREMENT DEATH BENEFIT:</b>	Death benefits payable after retirement are payable in accordance with the form of payment option selected by the retiree.
<b>TERMINATION OF EMPLOYMENT:</b>	Vested participants will be entitled to the Retirement Benefit calculated as of the date of termination and payable at age 62. A reduced benefit will be available for payments beginning after age 55, in accordance with the plan's Early Retirement provisions. Participant may elect a return of employee contributions in lieu of the retirement benefit
<b>VESTING:</b>	Five year cliff vesting. Non-vested participants receive a return of employee contributions plus interest.
<b>ACTUARIAL EQUIVALENCE:</b>	6% interest and Mortality based on the 1971 Group Annuity Mortality Table for males, with a 1 year setback for the participant and a 5 year setback for the beneficiary.
<b>EMPLOYEE CONTRIBUTIONS:</b>	6.32% of compensation after 01/01/2007.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - FIRE**

<b>PLAN EFFECTIVE DATE:</b>	January 1, 1938
<b>PLAN YEAR:</b>	January 1 through December 31
<b>ELIGIBILITY:</b>	No age or service requirement. Fire employees hired after 2/5/2013 shall not be eligible to participate.
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>NORMAL RETIREMENT DATE:</b>	First day of the month following age 65
<b>EARLY RETIREMENT DATE:</b>	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
<b>ADJUSTED RETIREMENT DATE:</b>	First day of the month following the date that age plus credited service equals 75
<b>COMPENSATION:</b>	Rate of annual basic compensation on January 1, excluding overtime except as provided in the collective bargaining agreement, bonuses, commissions and any other additional compensation.
<b>FINAL AVERAGE COMPENSATION:</b>	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
<b>RETIREMENT BENEFIT:</b>	2.00% of Final Average Compensation for each year of credited service, multiplied by 1.17.
<b>NORMAL BENEFIT PAYMENT FORM:</b>	Life Annuity, with refund
<b>ADJUSTED RETIREMENT BENEFIT:</b>	Retirement Benefit unreduced for payment at Adjusted Retirement Date
<b>EARLY RETIREMENT BENEFIT:</b>	Retirement Benefit is reduced for early commencement of payments, by reducing the Retirement Benefit at Normal Retirement Date by the following percentages: 1/2 of 1% for each month prior to the employee's Normal Retirement Date.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - FIRE**

<b>POSTPONED RETIREMENT:</b>	Benefit calculated and payable as of actual retirement date.
<b>DISABILITY RETIREMENT:</b>	<p><u>Non-Service Related:</u> No age requirement; 5 years of participation. Benefit is accrued benefit at date of disability.</p> <p><u>Service Related:</u> No age or service requirement. Benefit is 100% of the projected normal retirement benefit assuming constant future earnings and service to age 62, payable after 6 months</p>
<b>PRE-RETIREMENT DEATH BENEFIT:</b>	<p><u>Non Service Related:</u></p> <p>(1) Must be active employee and eligible to retire early. (2) Benefit is 75% of participant's accrued benefit, reduced for early commencement and paid as if 50% Joint and Survivor option had been elected, payable to spouse. (3) If not eligible for spouse benefit, death benefit is return of employee contributions with interest.</p> <p><u>Service Related:</u></p> <p>(1) No age or service requirement. (2) 100% of deceased participant's projected normal retirement benefit based on service to age 62, payable to spouse or children up to age 19.</p>
<b>POST-RETIREMENT DEATH BENEFIT:</b>	Death benefits payable after retirement are payable in accordance with the form of payment option selected by the retiree.
<b>TERMINATION OF EMPLOYMENT:</b>	<p>Vested participants will be entitled to the Retirement Benefit calculated as of the date of termination and payable at age 62. A reduced benefit will be available for payments beginning after age 55, in accordance with the plan's Early Retirement provisions.</p> <p>Participant may elect a return of employee contributions in lieu of the retirement benefit</p>
<b>VESTING:</b>	Five year cliff vesting. Non-vested participants receive a return of employee contributions plus interest.
<b>ACTUARIAL EQUIVALENCE:</b>	6% interest and Mortality based on the 1971 Group Annuity Mortality Table for males, with a 1 year setback for the participant and a 5 year setback for the beneficiary.
<b>EMPLOYEE CONTRIBUTIONS:</b>	7.98% 7/1/2015 - 6/30/2016 8.355% 7/1/2016+

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - DPW**

<b>PLAN EFFECTIVE DATE:</b>	January 1, 1938
<b>PLAN YEAR:</b>	January 1 through December 31
<b>ELIGIBILITY:</b>	No age or service requirement. DPW employees hired after 9/17/2013 shall not be eligible to participate.
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>NORMAL RETIREMENT DATE:</b>	First day of the month following the later of age 62 or 5 years of participation in the plan
<b>EARLY RETIREMENT DATE:</b>	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
<b>ADJUSTED RETIREMENT DATE:</b>	First day of the month following the date that age plus credited service equals 75
<b>COMPENSATION:</b>	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions and any other additional compensation.
<b>FINAL AVERAGE COMPENSATION:</b>	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
<b>RETIREMENT BENEFIT:</b>	2.00% of Final Average Compensation for each year of credited service.
<b>NORMAL BENEFIT PAYMENT FORM:</b>	Life Annuity, with refund
<b>ADJUSTED RETIREMENT BENEFIT:</b>	Retirement Benefit unreduced for payment at Adjusted Retirement Date
<b>EARLY RETIREMENT BENEFIT:</b>	Retirement Benefit is reduced for early commencement of payments, by reducing the Retirement Benefit at Normal Retirement Date by the following percentages: 1/2 of 1% for each month prior to the employee's Normal Retirement Date.
<b>POSTPONED RETIREMENT:</b>	Benefit calculated and payable as of actual retirement date.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - DPW**

<b>DISABILITY RETIREMENT:</b>	<p><u>Non-Service Related:</u> No age requirement; 15 years of participation. Benefit is accrued benefit at date of disability.</p> <p><u>Service Related:</u> No age or service requirement. Benefit is 100% of the projected normal retirement benefit assuming constant future earnings and service to age 62, payable after 6 months</p>
<b>PRE-RETIREMENT DEATH BENEFIT:</b>	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none"><li>(1) Must be active employee and eligible to retire early.</li><li>(2) Benefit is 75% of participant's accrued benefit, reduced for early commencement and paid as if 50% Joint and Survivor option had been elected, payable to spouse.</li><li>(3) If not eligible for spouse benefit, death benefit is return of employee contributions with interest.</li></ul> <p><u>Service Related:</u></p> <ul style="list-style-type: none"><li>(1) No age or service requirement.</li><li>(2) 100% of deceased participant's projected normal retirement benefit based on service to age 62, payable to spouse or children up to age 19.</li></ul>
<b>POST-RETIREMENT DEATH BENEFIT:</b>	Death benefits payable after retirement are payable in accordance with the form of payment option selected by the retiree.
<b>TERMINATION OF EMPLOYMENT:</b>	Vested participants will be entitled to the Retirement Benefit calculated as of the date of termination and payable at age 62. A reduced benefit will be available for payments beginning after age 55, in accordance with the plan's Early Retirement provisions. Participant may elect a return of employee contributions in lieu of the retirement benefit
<b>VESTING:</b>	Five year cliff vesting. Non-vested participants receive a return of employee contributions plus interest.
<b>ACTUARIAL EQUIVALENCE:</b>	6% interest and Mortality based on the 1971 Group Annuity Mortality Table for males, with a 1 year setback for the participant and a 5 year setback for the beneficiary.
<b>EMPLOYEE CONTRIBUTIONS:</b>	5.30% 7/1/2015+

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - GENERAL**

<b>PLAN EFFECTIVE DATE:</b>	January 1, 1938
<b>PLAN YEAR:</b>	January 1 through December 31
<b>ELIGIBILITY:</b>	No age or service requirement. Non union employees hired after 4/1/2013 shall not be eligible to participate.
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>NORMAL RETIEMENT DATE</b>	First day of the month following the later of age 62 or 5 years of participation in the plan
<b>EARLY RETIREMENT DATE:</b>	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
<b>ADJUSTED RETIREMENT DATE:</b>	For employees who are at least age 55, the first of the month following the date that age plus credited service equals 80
<b>COMPENSATION:</b>	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions and any other additional compensation.
<b>FINAL AVERAGE COMPENSATION:</b>	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
<b>RETIREMENT BENEFIT:</b>	2.00% of Final Average Compensation for each year of credited service.
<b>NORMAL BENEFIT PAYMENT FORM:</b>	Life Annuity, with refund
<b>ADJUSTED RETIREMENT BENEFIT:</b>	Retirement Benefit unreduced for payment at Adjusted Retirement Date
<b>EARLY RETIREMENT BENEFIT:</b>	Retirement Benefit is reduced for early commencement of payments, by reducing the Retirement Benefit at Normal Retirement Date by the following percentages: 1/2 of 1% for each month prior to the employee's Normal Retirement Date.
<b>POSTPONED RETIREMENT:</b>	Benefit calculated and payable as of actual retirement date.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - GENERAL**

<b>DISABILITY RETIREMENT:</b>	<p><u>Non-Service Related:</u> No age requirement; 15 years of participation. Benefit is accrued benefit at date of disability.</p> <p><u>Service Related:</u> No age or service requirement. Benefit is 100% of the projected normal retirement benefit assuming constant future earnings and service to age 62, payable after 6 months</p>
<b>PRE-RETIREMENT DEATH BENEFIT:</b>	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none"><li>(1) Must be active employee and eligible to retire early.</li><li>(2) Benefit is 75% of participant's accrued benefit, reduced for early commencement and paid as if 50% Joint and Survivor option had been elected, payable to spouse.</li><li>(3) If not eligible for spouse benefit, death benefit is return of employee contributions with interest.</li></ul> <p><u>Service Related:</u></p> <ul style="list-style-type: none"><li>(1) No age or service requirement.</li><li>(2) 100% of deceased participant's projected normal retirement benefit based on service to age 62, payable to spouse or children up to age 19.</li></ul>
<b>POST-RETIREMENT DEATH BENEFIT:</b>	Death benefits payable after retirement are payable in accordance with the form of payment option selected by the retiree.
<b>TERMINATION OF EMPLOYMENT:</b>	Vested participants will be entitled to the Retirement Benefit calculated as of the date of termination and payable at age 62. A reduced benefit will be available for payments beginning after age 55, in accordance with the plan's Early Retirement provisions. Participant may elect a return of employee contributions in lieu of the retirement benefit
<b>VESTING:</b>	Five year cliff vesting. Non-vested participants receive a return of employee contributions plus interest.
<b>ACTUARIAL EQUIVALENCE:</b>	6% interest and Mortality based on the 1971 Group Annuity Mortality Table for males, with a 1 year setback for the participant and a 5 year setback for the beneficiary.
<b>EMPLOYEE CONTRIBUTIONS:</b>	4.70% 7/1/2015+

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - BOARD OF EDUCATION**

<b>PLAN EFFECTIVE DATE:</b>	January 1, 1938
<b>PLAN YEAR:</b>	January 1 through December 31
<b>ELIGIBILITY:</b>	No age or service requirement
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>NORMAL RETIREMENT DATE:</b>	First day of the month following: For employees at least age 60 on 7/1/2014 - the later of age 62 or 5 years of participation. For all other employees the later of age 65 or 5 years of participation
<b>EARLY RETIREMENT DATE:</b>	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
<b>ADJUSTED RETIREMENT AGE</b>	For any employee who is at least age 55: For employees whose age plus credited service equaled 80 on 7/1/2014 - when age plus credited service equal 80. All other employees - when age plus credited service equals 85
<b>COMPENSATION:</b>	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions and any other additional compensation.
<b>FINAL AVERAGE COMPENSATION:</b>	Average of the highest 5 rates of Compensation on January 1, in the last 10 years prior to distribution.
<b>RETIREMENT BENEFIT:</b>	Prior to July 1, 2010: 2.00% of Final Average Compensation for each year of credited service.  After June 30, 2010: 2.00% of Final Average Compensation for each year of credited service for Paraeducators, Maintenance and Busing Employees; 1.00% of Final Earnings for each year of credited service for Teachers, Administrators and School Nonaligned Employees.
<b>NORMAL BENEFIT PAYMENT FORM:</b>	Life Annuity, with refund.
<b>ADJUSTED RETIREMENT DATE:</b>	Retirement Benefit unreduced for payment at Adjusted Retirement Date
<b>EARLY RETIREMENT BENEFIT:</b>	Retirement Benefit is reduced for early commencement of payments, by reducing the Retirement Benefit at Normal Retirement Date by the following percentages: 1/2 of 1% for each month prior to the employee's Normal Retirement Date.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2016**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - BOARD OF EDUCATION**

<b>POSTPONED RETIREMENT:</b>	Benefit calculated and payable as of actual retirement date increased by 6% for each year past Normal Retirement.
<b>DISABILITY RETIREMENT:</b>	<p><u>Non-Service Related:</u> No age requirement; 15 years of participation. Benefit is accrued benefit at date of disability.</p> <p><u>Service Related:</u> No age or service requirement. Benefit is 100% of the projected normal retirement benefit assuming constant future earnings and service to NRA, payable after 6 months.</p>
<b>PRE-RETIREMENT DEATH BENEFIT:</b>	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none"><li>(1) Must be active employee and eligible to retire early.</li><li>(2) Benefit is 75% of participant's accrued benefit, reduced for early commencement and paid as if 50% Joint and Survivor option had been elected, payable to spouse.</li><li>(3) If not eligible for spouse benefit, death benefit is return of employee contributions with interest.</li></ul> <p><u>Service Related:</u></p> <ul style="list-style-type: none"><li>(1) No age or service requirement.</li><li>(2) 100% of deceased participant's projected normal retirement benefit based on service to NRA, payable to spouse or children up to age 19.</li></ul>
<b>POST-RETIREMENT DEATH BENEFIT:</b>	Death benefits payable after retirement are payable in accordance with the form of payment option selected by the retiree.
<b>TERMINATION OF EMPLOYMENT:</b>	Vested participants will be entitled to the Retirement Benefit calculated as of the date of termination and payable at NRA. A reduced benefit will be available for payments beginning after age 55, in accordance with the plan's Early Retirement provisions. Participant may elect a return of employee contributions in lieu of the retirement benefit.
<b>VESTING:</b>	Five year cliff vesting. Non-vested participants receive a return of employee contributions plus interest.
<b>ACTUARIAL EQUIVALENCE:</b>	6% interest and Mortality based on the 1971 Group Annuity Mortality Table for males, with a 1 year setback for the participant and a 5 year setback for the beneficiary.
<b>COST OF LIVING INCREASES:</b>	Benefits for Paraeducators, Maintenance, and Bussing employees who were active on 7/1/2014 and retire shall be increased 1.50% per year.
<b>EMPLOYEE CONTRIBUTIONS:</b>	Variable rates based on employee groups.