

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION  
JANUARY 1, 2014**

**APRIL 2014**

**People's United Bank  
Retirement Services**

P.O. Box 386  
Burlington, VT 05402

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Retirement Services**

P.O. Box 386  
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**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION FOR  
JANUARY 1, 2014**

**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 2014 plan year.

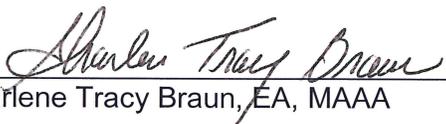
The actuarial valuation for the Plan has been prepared as of January 1, 2014 in accordance with generally accepted actuarial standards and practices, and to the best of my knowledge fairly reflects the actuarial position of the Plan as of the date.

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 my opinion, are reasonable in the aggregate, and when applied in combination, represent my 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).

I am a Member 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

4/29/14  
Date

14-2264  
Enrollment No.

## INTRODUCTION

This report reflects the actuarial valuation for the City of Rutland Employees Retirement System Plan ("Plan") for the 2014 plan year. The valuation is performed as of the beginning of the plan year, January 1, 2014. The valuation measures the Plan liabilities as of January 1, 2014 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.

### Valuation Results

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

	<u>January 1, 2013</u>	<u>January 1, 2014</u>
<b>Participants:</b>	<b>1,098</b>	<b>1,121</b>
Active:	632	620
Retiree/Beneficiaries:	337	354
Terminated and Non-Vested:	52	60
Terminated and Vested:	77	87
<b>Total Covered Payroll:</b>	<b>\$ 28,416,600</b>	<b>\$ 28,733,550</b>
<b>Market Value of Plan Assets:</b>	<b>\$ 61,800,149</b>	<b>\$ 71,659,271</b>
<b>Actuarial Value of Plan Assets:</b>	<b>\$ 63,249,120</b>	<b>\$ 67,988,181</b>
<b>Actuarial Accrued Liability:</b>	<b>\$ 89,935,809</b>	<b>\$ 94,836,584</b>
<b>Unfunded Actuarial Accrued Liability:</b>	<b>\$ 26,686,689</b>	<b>\$ 26,848,403</b>
<b>Funded Status of the Plan:</b>	<b>70.33%</b>	<b>71.69%</b>
<b>Recommended Employer Plan Contribution: (end of year)</b>		
Normal Cost:	\$ 1,539,497	\$ 1,605,190
Amortization Payment: (Unfunded Accrued Liability)	\$ 2,259,594 (30 years)	\$ 2,273,288
<b>Total:</b>	<b>\$ 3,799,091</b>	<b>\$ 3,878,478</b>
Percent of Payroll:	<b>13.37%</b>	<b>13.50%</b>
<b>Employer Contribution Paid:</b>	<b>\$ 2,627,877</b>	<b>(not yet determined)</b>

### **Value of Plan Assets**

The market value of the assets is \$71,659,271 as of the valuation date, January 1, 2014. The asset reconciliation reflected a gain of approximately 17.39% in 2013, 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 \$67,988,181, which is 94.88% of the market value of assets. Please refer to Pages 6-9 of the valuation report for more detail.

### **Funded Status**

The actuarial accrued liability under the Plan as of 1/1/2014 is \$94,836,584. Compared to the actuarial asset value of \$67,988,181, the plan is 71.69% funded, compared to 70.33% in 2013.

The breakdown of total plan Unfunded Accrued Liability (UAL) over the period from 1/1/2013 to 1/1/2014, is as follows:

	<u>2013</u>	<u>2014</u>	<u>Change</u>
Total Unfunded Accrued Liability:	\$26,686,689	\$26,848,403	0.60%
City Unfunded Accrued Liability:	\$13,700,704	\$14,418,864	5.24%
BOE Unfunded Accrued Liability:	\$12,985,985	\$12,429,539	-4.28%

The impact of the Plan amendment to reduce future benefit accruals for certain Board of Education (BOE) employees (Teachers, Administrators and School Nonaligned Employees) for the BOE employees and the fact that the BOE employer contribution exceeded the 2013 recommended amount, contributed to the mitigation in the increase in 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 30% of the recommended amount.

### **Change in Plan Provisions**

Employee contributions for Fire Employees were increased, please see page 16 for a schedule of employee contribution amounts by year. The mandatory retirement age for fire employees was increased to age 65. Amendments freezing eligibility for new fire and non-union employees was adopted in 2013. All provision changes were reflected in this valuation. Please see the Plan provision summary in the valuation report.

### **Employee Data**

Based on employee data provided by the City, the covered employee group increased from 1,098 to 1,121. Active participants decreased from 632 to 620; the retired participants increased from 337 to 354; terminated participants increased from 129 to 147 and terminated vested participants increased from 77 to 87.

### **Recommended Employer Contribution for 2014**

The recommended employer contribution for 2014 is \$3,878,478 which is 13.50% of covered payroll compared to \$3,799,091 in 2013 (13.37% of payroll). The recommended employer contribution for the City is \$2,067,870 which is 27.42% of payroll, compared to \$2,028,112 in 2013 (27.22% of payroll). The recommended employer contribution for the Board of Education is \$1,810,608 which is 8.55% of payroll, compared to \$1,770,979 in 2013 (8.45% of payroll).

Please refer to Page 5 of the valuation report for the details for each employee group.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**SUMMARY OF ACTUARIAL VALUATION**

Summary of Contribution for the Plan Year	2013	2014
Recommended Contribution:	3,799,091	3,878,478
Actual Contribution:	2,627,877	----
<b>Participant Data</b>		
Participants currently employed:	632	620
Terminated Participants :	129	147
Retired Participants receiving benefits:	337	354
Total participants included in current year valuation:	1,098	1,121
Aggregate compensation of active participants, as limited under 401(a)(17):	28,416,600	28,733,550
Average annual compensation:	44,963	46,344
<b>Asset Data</b>		
Fair market value of Plan assets:	61,800,149	71,659,271
Actuarial asset value:	63,249,120	67,988,181
IRS determined rate of return on market value during year prior to valuation date:	12.15%	17.39%
<b>Summary of Funding and Recommended Contribution</b>		
Actuarial Accrued Liability:	89,935,809	94,836,584
Actuarial Value of Assets:	63,249,120	67,988,181
Unfunded Actuarial Accrued Liability:	26,686,689	26,848,403
Normal Cost as of the end of the Plan Year:	1,539,497	1,605,190
Amortization of Unfunded Liability as of the end of the Plan Year: (based on 30 year amortization)	2,259,594	2,273,288
Total Recommended Contribution:	3,799,091	3,878,478
Funded ratio:	70.33%	71.69%
Valuation Date:	01/01/2013	01/01/2014

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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:	\$330,972	\$199,660	\$361,150	\$186,783	\$1,078,566	\$1,587,947	\$2,666,513
Expected Employee Contributions:	\$139,882	\$92,914	\$51,702	\$29,875	\$314,372	\$918,940	\$1,233,313
Administrative Expenses:	\$6,740	\$5,812	\$6,622	\$4,546	\$23,719	\$36,281	\$60,000
Employer Normal Cost as of January 1, 2014: (1) - (2) +(3)	\$197,830	\$112,558	\$316,070	\$161,454	\$787,913	\$705,288	\$1,493,200
Actuarial Accrued Liability:	\$10,653,648	\$9,186,359	\$10,466,203	\$7,184,862	\$37,491,072	\$57,345,512	\$94,836,584
Actuarial Value of Assets:	\$6,556,312	\$5,653,335	\$6,440,958	\$4,421,603	\$23,072,208	\$44,915,973	\$67,988,181
Unfunded Actuarial Accrued Liability (UAAL) (5) - (6):	\$4,097,336	\$3,533,024	\$4,025,245	\$2,763,259	\$14,418,864	\$12,429,539	\$26,848,403
Amortization of UAAL Over 30 Years Payable December 31, 2014:	\$346,927	\$299,146	\$340,822	\$233,969	\$1,220,864	\$1,052,424	\$2,273,288
Employer Normal Cost as of December 31, 2014:	\$212,667	\$121,000	\$339,776	\$173,563	\$847,006	\$758,184	\$1,605,190
Covered Payroll:	\$2,213,326	\$1,252,628	\$2,585,079	\$1,493,730	\$7,544,763	\$21,188,787	\$28,733,550
<b>Total Recommended Plan Contribution for 2014 Plan Year:</b>	<b>\$699,476</b>	<b>\$513,060</b>	<b>\$732,299</b>	<b>\$437,407</b>	<b>\$2,382,242</b>	<b>\$2,729,549</b>	<b>\$5,111,791</b>
Total Plan Contribution as a % of Covered Payroll:	31.60%	40.96%	28.33%	29.28%	31.57%	12.88%	17.79%
Expected Employee Contributions:	\$139,882	\$92,914	\$51,702	\$29,875	\$314,372	\$918,940	\$1,547,685
Expected Employee Contributions as a % of Covered Payroll:	6.32%	7.42%	2.00%	2.00%	4.17%	4.34%	5.39%
<b>Recommended Employer Contribution Payable December 31, 2014 (8) + (9):</b>	<b>\$559,594</b>	<b>\$420,146</b>	<b>\$680,598</b>	<b>\$407,532</b>	<b>\$2,067,870</b>	<b>\$1,810,608</b>	<b>\$3,878,478</b>
Recommended Employer Contribution as a % of Covered Payroll:	25.28%	33.54%	26.33%	27.28%	27.41%	8.55%	13.50%

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

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

<u>Summary of Income, Expenses and Rate of Return</u>	<u>2012</u>	<u>2013</u>
1. Asset Fair Market Value at January 1:	55,647,975	61,800,149
2. Employer Contribution to the Plan:	2,593,278	2,627,877
3. Employee Contributions to the Plan:	1,131,988	1,181,866
4. Benefit Payments made from the Plan:	(4,299,715)	(4,634,815)
5. Fees Paid:	(101,722)	(73,273)
6. Net Investment Earnings (including realized and unrealized amounts):	6,828,345	10,747,830
7. Asset Fair Market Value at December 31 (1+2+3+4+5+6):	61,800,149	71,649,634
8. Receivable Contribution for prior Plan Year:	0	9,637
9. Total Plan Assets:	61,800,149	71,659,271
10. IRS determined annual rate of return for year:	12.15%	17.39%

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. See the following page for the separate allocation between the City and the Board of Education.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**SUMMARY OF PLAN ASSET EXPERIENCE DURING THE PLAN YEAR  
ALLOCATION TO BOARD OF EDUCATION AND CITY**

<u>Summary of Income, Expenses and Rate of Return</u>	<u>Board of Education</u>	<u>City</u>
1. Asset Fair Market Value at January 1:	40,312,210	21,487,940
2. Employer Contribution to the Plan:	2,027,877	600,000
3. Employee Contributions to the Plan:	885,705	296,161
4. Benefit Payments made from the Plan:	(2,816,218)	(1,818,597)
5. Fees Paid:	(47,796)	(25,477)
6. Net Investment Earnings (including realized and unrealized amounts):	7,066,441	3,681,388
7. Asset Fair Market Value at December 31 (1+2+3+4+5+6):	47,428,219	24,221,416
8. Receivable Contribution for prior Plan Year:	0	9,637
9. Total Plan Assets:	47,428,219	24,231,053
10. IRS determined annual rate of return for year:	17.39%	17.39%

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**DETERMINATION OF ACTUARIAL VALUE OF ASSETS**

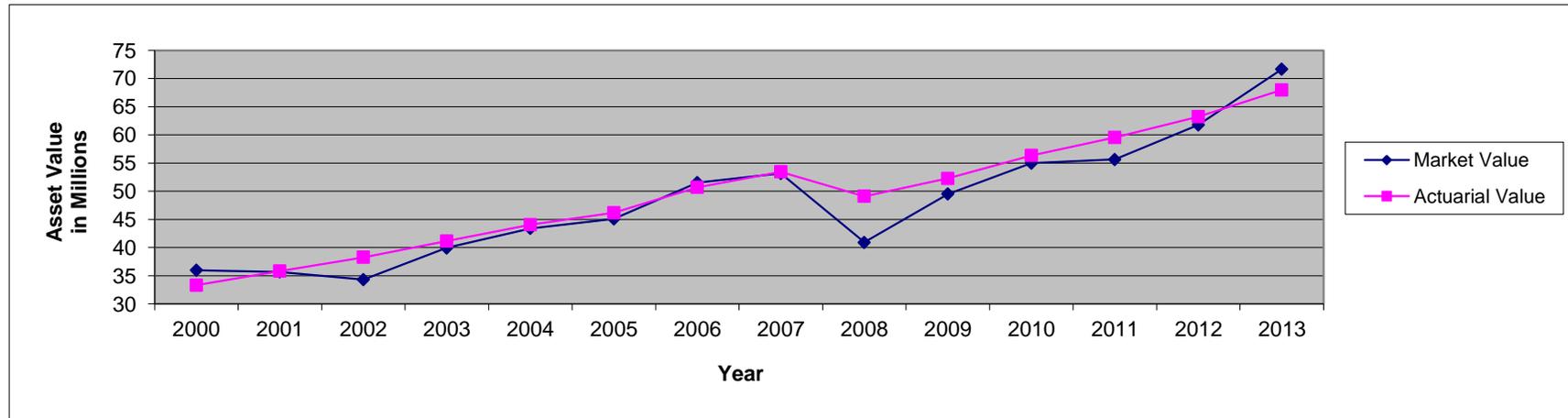
	Year End	
	12/31/2012	12/31/2013
1. Actuarial value of assets at beginning of year:	59,550,538	63,249,120
2. Contribution less benefit payments and operating expenses:	(676,171)	(898,345)
3. Average actuarial value of the fund, 1 + 50%(2):	59,212,452	62,799,948
4. Assumed net investment income, 8% - 2012, 7.5% - 2013(3):	4,736,996	4,709,996
5. Preliminary value of assets at the end of the year, 1+2+4:	63,611,363	67,060,771
6. Market Value of assets at the end of the year (excludes receivables):	61,800,150	71,649,634
7. Smoothing adjustment, 20%(6-5):	(362,243)	917,773
8. Actuarial value of assets, 5+7 but not <80% or >120% of 6:	63,249,120	67,978,544
9. Contribution receivables:	0	9,637
10. Final actuarial value of assets, 8+9:	63,249,120	67,988,181
11. Actuarial value of assets as a percent of market value of assets, 8/(6+9):	102.34%	94.88%
12. Allocation of Actuarial Value of Assets		
City of Rutland:	22,098,901	23,072,208
Board of Education:	41,150,219	44,915,973
Total:	63,249,120	67,988,181

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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	2,627,877	1,181,866	10,747,830	73,273	4,634,815	71,659,271	67,988,181



**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**RECONCILIATION OF PARTICIPANT DATA**

A. Actively Employed Participants	2013	2014	Change
1. City of Rutland			
a. Police:	42	44	
b. Fire:	26	25	
c. DPW:	55	53	
d. General:	26	24	
e. Total:	149	146	
2. Board of Education:	483	474	
3. Total Plan:	<b>632</b>	<b>620</b>	<b>-1.90%</b>
<b>B. Terminated and Inactive Participants</b>			
1. City of Rutland			
a. Police:	9	11	
b. Fire:	1	1	
c. DPW:	8	10	
d. General:	12	14	
e. Total:	30	36	
2. Board of Education:	99	111	
3. Total Plan:	<b>129</b>	<b>147</b>	<b>13.95%</b>
4. Total Terminated Non-Vested Participants:	<b>52</b>	<b>60</b>	
5. Total Terminated Vested and Inactive Participants:	<b>77</b>	<b>87</b>	
<b>C. Retired Participants/Beneficiaries in Pay Status</b>			
1. City of Rutland			
a. Police:	22	26	
b. Fire:	26	25	
c. DPW:	28	29	
d. General:	27	28	
e. Total:	103	108	
2. Board of Education:	234	246	
3. Total Plan:	<b>337</b>	<b>354</b>	<b>5.04%</b>
<b>D. Total Participants at end of plan year (A3+B3+C3):</b>	<b>1,098</b>	<b>1,121</b>	<b>2.09%</b>

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**RECOMMENDED CONTRIBUTION FOR THE ENTIRE PLAN**

	2013	% of Payroll	2014	% of Payroll
1. Total normal cost as of January 1:	2,559,599	9.01%	2,666,513	9.28%
2. Administrative expenses:	60,000	0.21%	60,000	0.21%
3. Expected employee contributions:	(1,187,509)	4.18%	(1,233,313)	4.29%
4. Employer normal cost, 1+2+3:	1,432,090	5.04%	1,493,200	5.20%
5. Actuarial accrued liability:				
Active Participants:	44,004,346		45,817,789	
Terminated Vested Participants:	3,555,950		3,885,388	
Retirees and Beneficiaries:	42,375,513		45,133,407	
Total:	89,935,809		94,836,584	
6. Actuarial value of assets:	63,249,120		67,988,181	
7. Unfunded actuarial accrued liability:	26,686,689		26,848,403	
8. Employer normal cost projected to December 31:	1,539,497		1,605,190	
9. Payment on unfunded actuarial accrued liability:	2,259,594	7.95%	2,273,288	7.91%
10. Total recommended contribution, 8+9:	3,799,091	13.37%	3,878,478	13.50%
11. Annualized Payroll:	28,416,600		28,733,550	
12. Funded Status:	70.33%		71.69%	

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**RECOMMENDED CONTRIBUTION FOR CITY EMPLOYEES**

	2013	% of Payroll	2014	% of Payroll
1. Total normal cost as of January 1:	1,075,164	14.43%	1,078,566	14.30%
2. Administrative expenses:	23,883	0.32%	23,719	0.31%
3. Expected employee contributions:	(291,553)	3.91%	(314,372)	4.17%
4. Employer normal cost, 1+2+3:	807,495	10.84%	787,913	10.44%
5. Actuarial accrued liability:				
Active Participants:	17,924,236		17,678,111	
Terminated Vested Participants:	1,262,219		1,621,053	
Retirees and Beneficiaries:	16,613,150		18,191,908	
Total:	35,799,605		37,491,072	
6. Actuarial value of assets:	22,098,901		23,072,208	
7. Unfunded actuarial accrued liability:	13,700,704		14,418,864	
8. Employer normal cost projected to December 31:	868,057		847,006	
9. Payment on unfunded actuarial accrued liability:	1,160,055	15.57%	1,220,864	16.18%
10. Total recommended contribution, 8+9:	2,028,112	27.22%	2,067,870	27.41%
11. Annualized Payroll:	7,451,366		7,544,763	
12. Funded Status:	61.73%		61.54%	

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>RETIREMENT DATE:</b>	First day of the month following: (1) Age plus credited service equals 75, with mandatory retirement 60, or (2) If Rule of 75 is not met, mandatory retirement age of 62.
<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 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>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>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, 2014**

**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, 2014**

**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>RETIREMENT DATE:</b>	First day of the month following: (1) Age plus credited service equals 75, with mandatory retirement age 65, or (2) If Rule of 75 is not met, mandatory retirement age of 65.
<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 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>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>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, 2014**

**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>	5.0% of compensation to 7/1/2013; 7.23% from 7/1/2013 - 6/30/2014; 7.605% from 7/1/2014 - 6/30/2015; 7.98% from 7/1/2015 to 6/30/2016; 8.355% from 7/1/2016-6/30/2017

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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
<b>ENTRY DATES:</b>	First day of the month coinciding with or next following completion of the eligibility requirements.
<b>RETIREMENT DATE:</b>	First day of the month following earlier of: (1) Age plus credited service equals 75, or  (2) the later of age 62 or 5 years of participation
<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 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>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>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, 2014**

**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>	2.0% of compensation

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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>RETIREMENT DATE:</b>	First day of the month following earlier of: (1) Age plus credited service equals 80, or  (2) the later of age 62 or 5 years of participation
<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 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>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>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, 2014**

**SUMMARY OF PRINCIPAL PLAN PROVISIONS - GENERAL**

**DISABILITY RETIREMENT:**

Non-Service Related: No age requirement; 15 years of participation. Benefit is accrued benefit at date of disability.

Service Related: 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

**PRE-RETIREMENT DEATH BENEFIT:**

Non Service Related:

- (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.

Service Related:

- (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.

**POST-RETIREMENT DEATH BENEFIT:**

Death benefits payable after retirement are payable in accordance with the form of payment option selected by the retiree.

**TERMINATION OF EMPLOYMENT:**

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

**VESTING:**

Five year cliff vesting. Non-vested participants receive a return of employee contributions plus interest.

**ACTUARIAL EQUIVALENCE:**

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.

**EMPLOYEE CONTRIBUTIONS:**

2.0% of compensation

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**RECOMMENDED CONTRIBUTION FOR BOARD OF EDUCATION EMPLOYEES**

	2013	% of Payroll	2014	% of Payroll
1. Total normal cost as of January 1:	1,484,435	7.08%	1,587,947	7.49%
2. Administrative expenses:	36,117	0.17%	36,281	0.17%
3. Expected employee contributions:	(895,956)	4.27%	(918,940)	4.34%
4. Employer normal cost, 1+2+3:	624,595	2.98%	705,288	3.33%
5. Actuarial accrued liability:				
Active Participants:	26,080,110		28,139,678	
Terminated Vested Participants:	2,293,731		2,264,335	
Retirees and Beneficiaries:	25,762,363		26,941,499	
Total:	54,136,204		57,345,512	
6. Actuarial value of assets:	41,150,219		44,915,973	
7. Unfunded actuarial accrued liability:	12,985,985		12,429,539	
8. Employer normal cost projected to December 31:	671,440		758,184	
9. Payment on unfunded actuarial accrued liability:	1,099,539	5.24%	1,052,424	4.97%
10. Total recommended contribution, 8+9:	1,770,979	8.45%	1,810,608	8.55%
11. Annualized Payroll:	20,965,234		21,188,787	
12. Funded Status:	76.01%		78.33%	

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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>RETIREMENT DATE:</b>	First day of the month following earlier of: (1) Age plus credited service equals 80, or  (2) the later of age 62 or 5 years of participation
<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 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>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>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, 2014**

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

<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>	Variable rates based on employee groups.

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB**

**GASB ASSUMPTIONS**

<b>ACTUARIAL VALUATION DATE:</b>	January 1, 2014
<b>ACTUARIAL COST METHOD:</b>	Pro-rata projected unit credit
<b>AMORTIZATION METHOD:</b>	Level Dollar, open
<b>REMAINING AMORTIZATION PERIOD:</b>	30 years as of January 1, 2014
<b>EMPLOYEE CONTRIBUTION CREDITING RATE:</b>	3.00%
<b>ASSET VALUATION METHOD:</b>	20% Smoothing of investment returns not to exceed 80-120% of the market value.

**ACTUARIAL ASSUMPTIONS:**

Investment rate of return:	7.50%
Projected salary increases:	4.00%

**PLAN MEMBERSHIP:**

Retired participants and beneficiaries receiving benefits:	354
Terminated participants entitled to future benefits:	87
Active Participants:	620
Total:	<u>1,061</u>

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**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%

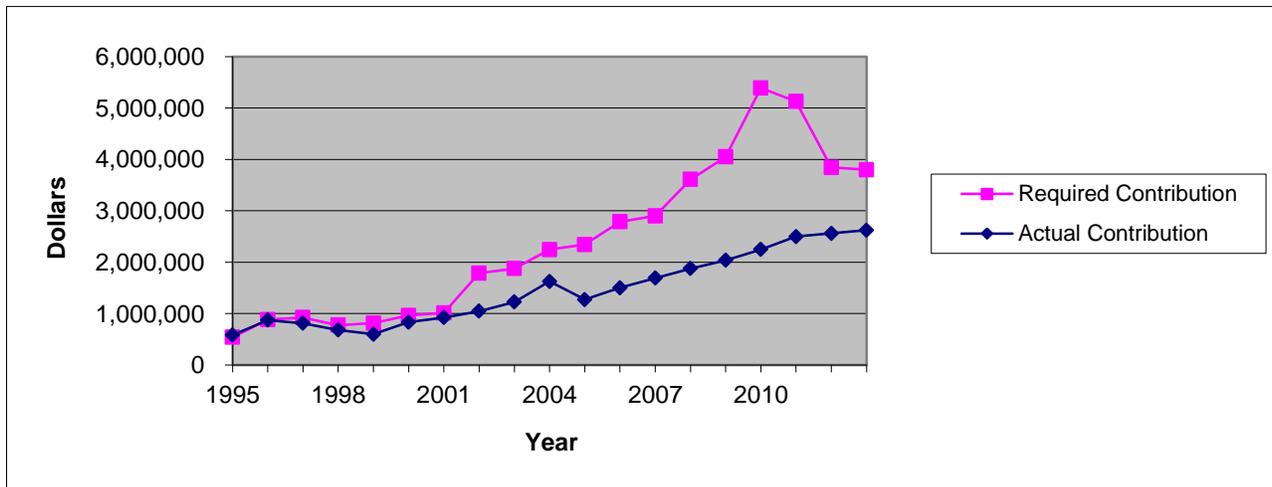
**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB**

**SCHEDULE OF FUNDING PROGRESS BASED ON FISCAL YEAR**

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
1995	541,400	582,900	107.67%
1996	883,300	873,800	98.92%
1997	925,200	812,600	87.83%
1998	776,500	683,900	88.07%
1999	815,800	599,900	73.54%
2000	964,800	834,711	86.52%
2001	1,015,000	923,954	91.03%
2002	1,787,161	1,048,297	58.66%
2003	1,877,432	1,227,415	65.38%
2004	2,246,572	1,625,945	72.37%
2005	2,345,116	1,275,244	54.38%
2006	2,785,751	1,501,784	53.91%
2007	2,899,920	1,690,335	58.29%
2008	3,609,894	1,877,860	52.02%
2009	4,048,303	2,039,388	50.38%
2010	5,388,980	2,249,457	41.74%
2011	5,125,675	2,498,651	48.75%
2012	3,842,585	2,559,636	66.61%
2013	3,799,091	2,622,349	69.03%



**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB**

**SCHEDULE OF FUNDING PROGRESS**

<b>Fiscal Year Ended June 30</b>	<b>Employer Annual Required Contribution (a)</b>	<b>Employer Amount Contributed (b)</b>	<b>Interest on NPO (c)</b>	<b>ARC Adjustment (h)/(e) (d)</b>	<b>Amortization Factor (e)</b>	<b>Pension Cost (a)+(c)-(d) (f)</b>	<b>Change in NPO (f)-(b) (g)</b>	<b>NPO Balance NPO + (g) (h)</b>
1999	815,800	599,900	(26,900)	(38,000)	8.8402	826,900	227,000	(108,708)
2000	964,800	834,711	(8,697)	(12,297)	8.5147	968,400	133,689	25,481
2001	1,015,000	923,954	2,038	2,993	8.1630	1,014,046	90,092	115,427
2002	1,787,161	1,048,297	9,234	14,140	7.7833	1,782,255	733,958	848,695
2003	1,877,432	1,227,415	67,896	109,041	7.3731	1,836,287	608,872	1,451,501
2004	2,246,572	1,625,945	116,120	196,864	6.9302	2,165,828	539,883	1,978,802
2005	2,345,116	1,275,244	158,304	285,533	6.4518	2,217,887	942,643	2,900,273
2006	2,785,751	1,501,784	232,022	449,529	8.5595	2,568,244	1,066,460	4,077,424
2007	2,899,920	1,690,335	326,194	476,362	8.5595	2,749,752	1,059,417	5,136,839
2008	3,609,894	1,877,860	410,947	600,133	8.5595	3,420,708	1,542,848	6,679,687
2009	4,048,383	2,039,388	534,375	780,383	8.5595	3,802,375	1,762,987	8,442,674
2010	5,388,980	2,249,457	675,414	986,351	8.5595	5,078,043	2,828,586	11,271,260
2011	5,125,675	2,498,651	901,701	1,316,813	11.2578	4,710,563	2,211,912	13,483,172
2012	3,842,585	2,559,636	1,078,654	1,197,674	11.2578	3,723,565	1,163,929	14,647,101
2013	3,775,872	2,622,349	1,171,768	1,301,062	11.2578	3,646,578	1,024,229	15,671,330
2014	3,799,091	*						

\* Not yet determined

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**ACTUARIAL ASSUMPTIONS AND COST METHOD**

<b>ACTUARIAL VALUATION DATE:</b>	January 1, 2014
<b>VALUATION INTEREST RATES:</b>	
Pre-retirement period:	7.50%
Post-retirement period:	7.50%
<b>SALARY INCREASES:</b>	4.00%
<b>EMPLOYEE CONTRIBUTION CREDITING RATE:</b>	Varies
<b>VALUATION MORTALITY:</b>	
Healthy:	2014 430(h) Annuitant & Non-Annuitant
Disabled:	PBGC Table for Disabled Participants receiving Social Security Benefits
<b>TURNOVER:</b>	<u>Fire and DPW:</u> Crocker Sarason T-1 Table <u>All Others:</u> Crocker Sarason T-6 Table
<b>DISABILITY AND DEATH:</b>	<u>Police and Fire:</u> 75% of disabilities and deaths assumed to be service related. <u>All Others:</u> 25% of disabilities and deaths assumed to be service related.
<b>FORM OF PAYMENT:</b>	Life Annuity
<b>PERCENT MARRIED (Females-3 year setback compared to males)</b>	75%
<b>ADMINISTRATIVE EXPENSE:</b>	\$60,000
<b>ASSUMED RETIREMENT AGE:</b>	
Deferred Vested Participants:	Age 62
Active Employees:	<u>Police:</u> Earlier of age 62 or age plus service equal to 80. <u>Fire:</u> Earlier of age 65 or age plus service equal to 85. <u>DPW:</u> Earlier of age 62 or 5 years of service (if later) or age plus service equal to 85. <u>General and Board of Education:</u> Earlier of age 62 or 5 years of service (if later), or age plus service equal to 80

**CITY OF RUTLAND  
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF  
JANUARY 1, 2014**

**ACTUARIAL ASSUMPTIONS AND COST METHOD**

**COMPENSATION BASIS:** Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions, and any other additional compensation.

**IRC SECTION 401(a)(17) MAXIMUM COMPENSATION LIMIT:** \$260,000

**IRC SECTION 415(b) MAXIMUM BENEFIT LIMIT:** \$210,000

**ASSET VALUATION METHOD:**

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.