

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION
JANUARY 1, 2015**

MAY 2015

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

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Retirement Services**

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Burlington, VT 05402

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**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION FOR
JANUARY 1, 2015**

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 2015 plan year.

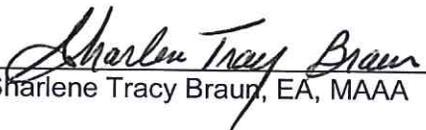
The actuarial valuation for the Plan has been prepared as of January 1, 2015 in accordance with generally accepted actuarial standards and practices, and to the best of our knowledge fairly reflects the actuarial position of the Plan as of the date.

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.

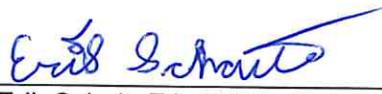
Future actuarial valuation results may differ from the results reflected in this valuation due to such factors as follows: plan experience that differs from the anticipated experience; changes in economic or demographic assumptions; changes in plan provisions or applicable law; and changes in the operation 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.

5/27/15
Date


Erik Schait, EA, MAAA

14-8161
Enrollment No.

5/27/15
Date

INTRODUCTION

This report reflects the actuarial valuation for the City of Rutland Employees Retirement System Plan ("Plan") for the 2015 plan year. The valuation is performed as of the beginning of the plan year, January 1, 2015. The valuation measures the Plan liabilities as of January 1, 2015 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:

	City	Board of Education	Total 1/1/2015	Total 1/1/2014
Participants	295	851	1,146	1,121
Active:	142	475	617	620
Retiree/Beneficiaries:	113	259	372	354
Terminated and Non-Vested:	7	60	67	60
Terminated and Vested:	33	57	90	87
Total Covered Payroll:	\$7,901,130	\$21,695,988	\$29,597,118	\$28,733,550
Market Value of Assets:	\$24,866,817	\$50,267,778	\$75,134,595	\$71,659,271
Actuarial Value of Assets:	\$24,093,635	\$48,553,085	\$72,646,720	\$67,988,181
Actuarial Accrued Liability:	\$40,300,370	\$59,464,871	\$99,765,241	\$94,836,584
Unfunded Accrued Liability:	\$16,206,735	\$10,911,786	\$27,118,521	\$26,848,403
Funded Status:	59.79%	81.65%	72.82%	71.69%
Recommended Employer Plan Contribution (end of year):				
Normal Cost:	\$867,620	\$758,019	\$1,625,639	\$1,605,190
Amortization Payment:	\$1,372,244	\$923,914	\$2,296,158	\$2,273,288
Total:	\$2,239,864	\$1,681,933	\$3,921,797	\$3,878,478
Percent of Payroll:	28.35%	7.75%	13.25%	13.50%
Employer Contribution:	n/a	n/a	n/a	\$2,701,519

Value of Plan Assets

The market value of total assets is \$75,134,595 as of the valuation date, January 1, 2015. The asset reconciliation reflected a gain of approximately 6.20% in 2014, 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 \$72,646,720, which is 96.69% 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 1/1/2015 is \$99,765,241 which is made up of \$40,300,370 actuarial accrued liability for City employees and \$59,464,871 for Board of Education (BOE) employees. Compared to the actuarial asset value of \$75,134,595, the plan is 72.82% funded overall, with the City at 59.79% and the BOE at 81.65%.

The breakdown of total plan Unfunded Accrued Liability (UAL) over the period from 1/1/2014 to 1/1/2015, is as follows:

	<u>2014</u>	<u>2015</u>	<u>Change</u>
Total Unfunded Accrued Liability:	\$26,848,403	\$27,118,521	1.00%
City Unfunded Accrued Liability:	\$14,418,864	\$16,206,735	12.40%
BOE Unfunded Accrued Liability:	\$12,429,539	\$10,911,786	-12.21%

The impact of the Plan amendment to reduce future benefit accruals for certain Board of Education (BOE) employees (Teachers, Administrators and School Nonaligned Employees) and the fact that the BOE employer contribution exceeded the 2014 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 33% of the recommended amount.

Change in Plan Provisions

Employee contributions for certain employees were increased, please see pages 19-28 for schedules of employee contributions by year. Amendments freezing eligibility for new fire, DPW, and non-union employees were adopted in 2013. An amendment freezing eligibility for new police employees was adopted in 2014. Compensation was amended to include certain overtime pay as specified in collective bargaining agreements.

Significant changes in plan provisions were adopted for BOE employees. Employees who were not age 60 on 7/1/2014 had their Normal Retirement Age (NRA) increased from age 62 to 65. Those age 60 on 7/1/2014 were grandfathered into a NRA of 62.

Employees who had not satisfied the rule of 80 on 7/1/2014 had their rule increased from the rule of 80 to the rule of 85. Those who satisfied the rule of 80 on 7/1/2014 were grandfathered into the rule of 80.

A 1.5% cost of living increase was added for certain BOE union employees who were active on 7/1/2014 and retired after 7/1/2014. A late retirement adjustment of 6% per year was added for all BOE employees who retire after their NRA.

All provision changes were reflected in this valuation. Please see the Plan provision summary in the valuation report.

Effects of Plan Provision Changes

The changes to the BOE provisions affected both the actuarial accrued liability and the normal cost for the plan. The 1/1/2015 liability experienced an approximate \$800,000 (1.35%) gain due to the provision changes. This reduced the unfunded liability by approximately \$800,000.

The plan changes were designed to be cost neutral to the plan. The cost neutral aspect was assessed based on expected increases in liabilities to the plan. The design took into account the effects of the late retirement increase on future retirements. The actuarial valuation does not assume rates of retirement at different ages and instead uses a single assumed age of retirement. Due to this mechanic there is no additional liability reflected in the valuation from employees who are not already working past their Normal Retirement Age. This additional liability will be experienced over time as employees work and retire after their Normal Retirement Age.

Employee Data

Based on employee data provided by the City, the covered employee group increased from 1,121 to 1,146. The City covered group increased from 290 to 295. The BOE covered group increased from 831 to 851.

Active participants decreased from 620 to 617. Active City employees decreased from 146 to 142. Active BOE employees increased from 474 to 475.

The retired participants increased from 354 to 372. Retired City participants increased from 108 to 113. Retired BOE employees increased from 246 to 259.

Terminated participants due a benefit increased from 147 to 157. Terminated City participants increased from 36 to 40. Terminated BOE participants increased from 111 to 117.

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

Recommended Employer Contribution for 2015

The recommended employer contribution for 2015 is \$3,921,797 which is 13.25% of covered payroll compared to \$3,878,478 in 2014 (13.50% of payroll).

The recommended employer contribution for the City is \$2,239,864 which is 28.35% of payroll, compared to \$2,067,870 in 2014 (27.41% of payroll). The recommended employer contribution for the Board of Education is \$1,681,933 which is 7.75% of payroll, compared to \$1,810,608 in 2014 (8.55% of payroll).

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF ACTUARIAL VALUATION

Summary of Contribution for the Plan Year	City	Board of Education	2015	2014
Recommended Contribution:	2,239,864	1,681,933	3,921,797	3,878,478
Actual Contribution:	----	----	----	2,701,519
Participant Data				
Participants currently employed:	142	475	617	620
Terminated Participants :	40	117	157	147
Retired Participants receiving benefits:	113	259	372	354
Total participants included in current year valuation:	295	851	1,146	1,121
Aggregate compensation of active participants:	7,901,130	21,695,988	29,597,118	28,733,550
Average annual compensation:	55,642	45,676	47,969	46,344
Asset Data				
Fair market value of Plan assets:	24,866,817	50,267,778	75,134,595	71,659,271
Actuarial asset value:	24,093,635	48,553,085	72,646,720	67,988,181
IRS determined rate of return on market value during year:	6.20%	6.20%	6.20%	17.39%
Summary of Funding and Recommended Contribution				
Actuarial Accrued Liability:	40,300,370	59,464,871	99,765,241	94,836,584
Actuarial Value of Assets:	24,093,635	48,553,085	72,646,720	67,988,181
Unfunded Actuarial Accrued Liability:	16,206,735	10,911,786	27,118,521	26,848,403
Normal Cost as of the end of the Plan Year:	867,620	758,019	1,625,639	1,605,190
Amortization of Unfunded Liability as of the end of Year: (based on 30 year amortization)	1,372,244	923,914	2,296,158	2,273,288
Total Recommended Contribution:	2,239,864	1,681,933	3,921,797	3,878,478
Funded ratio:	59.79%	81.65%	72.82%	71.69%
Valuation Date:	01/01/2015	01/01/2015	01/01/2015	01/01/2014

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF ACTUARIAL VALUATION

	Police	Fire	DPW	General	City Total	Board of Education	Total
Total Normal Cost:	\$381,096	\$215,605	\$377,526	\$200,993	\$1,175,221	\$1,603,987	\$2,779,208
Expected Employee Contributions:	\$158,199	\$97,377	\$97,567	\$47,306	\$400,448	\$946,537	\$1,346,985
Administrative Expenses:	\$9,533	\$7,660	\$9,015	\$6,108	\$32,316	\$47,684	\$80,000
Employer Normal Cost as of January 1, 2015: (1) - (2) +(3)	\$232,430	\$125,889	\$288,974	\$159,796	\$807,089	\$705,134	\$1,512,223
Actuarial Accrued Liability:	\$11,888,062	\$9,552,488	\$11,242,500	\$7,617,320	\$40,300,370	\$59,464,871	\$99,765,241
Actuarial Value of Assets:	\$7,107,295	\$5,710,969	\$6,721,345	\$4,554,026	\$24,093,635	\$48,553,085	\$72,646,720
Unfunded Actuarial Accrued Liability (UAAL) (5) - (6):	\$4,780,767	\$3,841,519	\$4,521,155	\$3,063,294	\$16,206,735	\$10,911,786	\$27,118,521
Amortization of UAAL Over 30 Years Payable December 31, 2015:	\$404,793	\$325,266	\$382,812	\$259,373	\$1,372,244	\$923,914	\$2,296,158
Employer Normal Cost as of December 31, 2015:	\$249,862	\$135,330	\$310,647	\$171,780	\$867,620	\$758,019	\$1,625,639
Covered Payroll:	\$2,503,143	\$1,312,794	\$2,673,081	\$1,412,112	\$7,901,130	\$21,695,988	\$29,597,118
Total Recommended Plan Contribution for 2015 Plan Year:	\$812,854	\$557,973	\$791,026	\$478,459	\$2,640,313	\$2,628,470	\$5,268,782
Total Plan Contribution as a % of Covered Payroll:	32.47%	42.50%	29.59%	33.88%	33.42%	12.12%	17.80%
Expected Employee Contributions:	\$158,199	\$97,377	\$97,567	\$47,306	\$400,448	\$946,537	\$1,346,985
Expected Employee Contributions as a % of Covered Payroll:	6.32%	7.42%	3.65%	3.35%	5.07%	4.36%	4.55%
Recommended Employer Contribution Payable December 31, 2015 (8) + (9):	\$654,655	\$460,596	\$693,459	\$431,153	\$2,239,864	\$1,681,933	\$3,921,797
Recommended Employer Contribution as a % of Covered Payroll:	26.15%	35.09%	25.94%	30.53%	28.35%	7.75%	13.25%

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PLAN ASSET EXPERIENCE DURING THE PLAN YEAR

Summary of Income, Expenses and Rate of Return	City	Board of Education	Combined 2014	Combined 2013
1. Asset Fair Market Value at January 1:	24,221,416	47,428,219	71,649,634	61,800,149
2. Employer Contribution for current year:	598,419	2,025,044	2,623,463	2,627,877
3. Employer Contribution for prior Plan year:	9,637	0	9,637	0
4. Employee Contributions to the Plan:	345,383	910,684	1,256,068	1,181,866
5. Benefit Payments made from the Plan:	(1,905,466)	(3,032,868)	(4,938,334)	(4,634,815)
6. Fees Paid:	(29,277)	(57,328)	(86,605)	(73,273)
7. Net Investment Earnings (including realized and unrealized):	1,500,525	2,994,027	4,494,552	10,747,830
8. Asset Fair Market Value at December 31 (1+2+3+4+5+6):	24,740,637	50,267,778	75,008,415	71,649,634
9. Receivable Employer Contribution for prior Plan Year:	78,056	0	78,056	9,637
10. Receivable Employee Contributions for prior Plan Year:	48,124	0	48,124	0
11. Total Plan Assets:	24,866,817	50,267,778	75,134,595	71,659,271
12. IRS determined annual rate of return for year:	6.20%	6.20%	6.20%	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.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

DETERMINATION OF ACTUARIAL VALUE OF ASSETS

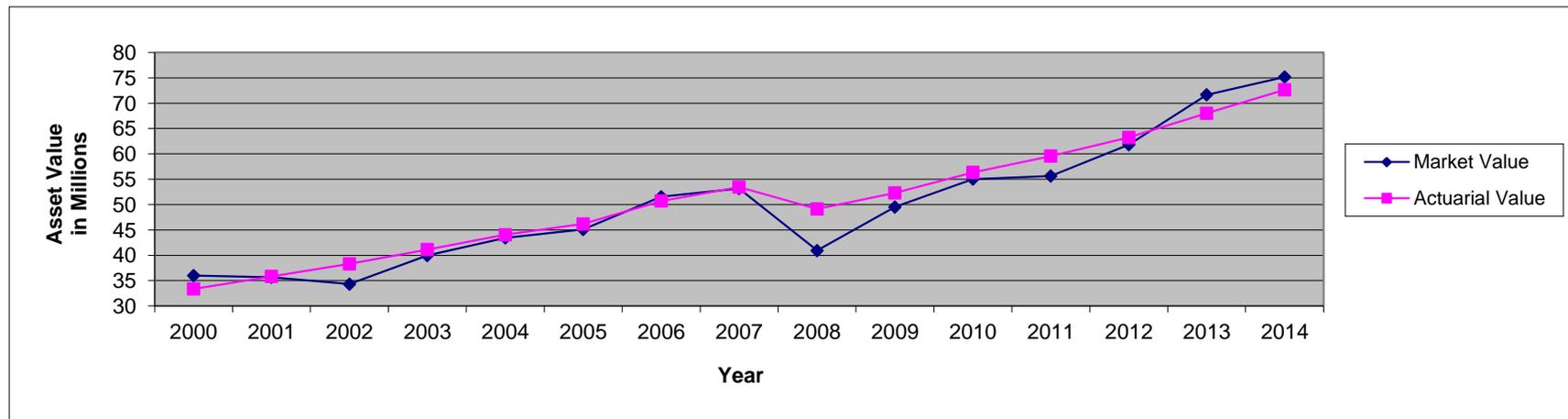
	Year End	
	12/31/2013	12/31/2014
1. Actuarial value of assets at beginning of year:	63,249,120	67,978,544
2. Contribution less benefit payments and operating expenses:	(898,345)	(1,135,771)
3. Average actuarial value of the fund, 1 + 50%(2):	62,799,948	67,410,658
4. Assumed net investment income, at 7.5%:	4,709,996	5,055,799
5. Preliminary value of assets at the end of the year, 1+2+4:	67,060,771	71,898,572
6. Market Value of assets at the end of the year (excludes receivables):	71,649,634	75,008,415
7. Smoothing adjustment, 20%(6-5):	917,773	621,969
8. Actuarial value of assets, 5+7 but not <80% or >120% of 6:	67,978,544	72,520,541
9. Contribution receivables:	9,637	126,180
10. Final actuarial value of assets, 8+9:	67,988,181	72,646,720
11. Actuarial value of assets as a percent of market value of assets, 8/(6+9):	94.88%	96.69%
12. Allocation of Actuarial Value of Assets		
City of Rutland:	23,072,208	24,093,635
Board of Education:	44,915,973	48,553,085
Total:	67,988,181	72,646,720

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PLAN ASSET EXPERIENCE DURING THE PLAN YEAR

Year Ended December 31	Employer Contributions	Employee Contributions	Net Investment Return	Administrative Expenses	Benefit Payments	Market Value of Assets	Actuarial Value of Assets
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



**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

RECONCILIATION OF PARTICIPANT DATA

A. Actively Employed Participants	2014	2015	Change
1. City of Rutland			
a. Police:	44	43	
b. Fire:	25	25	
c. DPW:	53	52	
d. General:	24	22	
e. Total:	146	142	
2. Board of Education:	474	475	
3. Total Plan:	620	617	-0.48%
B. Terminated and Inactive Participants			
1. City of Rutland			
a. Police:	11	14	
b. Fire:	1	1	
c. DPW:	10	10	
d. General:	14	15	
e. Total:	36	40	
2. Board of Education:	111	117	
3. Total Plan:	147	157	6.80%
4. Total Terminated Non-Vested Participants:	60	67	
5. Total Terminated Vested and Inactive Participants:	87	90	
C. Retired Participants/Beneficiaries in Pay Status			
1. City of Rutland			
a. Police:	26	29	
b. Fire:	25	25	
c. DPW:	29	29	
d. General:	28	30	
e. Total:	108	113	
2. Board of Education:	246	259	
3. Total Plan:	354	372	5.08%
D. Total Participants at end of plan year (A3+B3+C3):	1,121	1,146	2.23%

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

RECOMMENDED CONTRIBUTION FOR THE ENTIRE PLAN

	2014	% of Payroll	2015	% of Payroll
1. Total normal cost as of January 1:	2,666,513	9.28%	2,779,208	9.39%
2. Administrative expenses:	60,000	0.21%	80,000	0.27%
3. Expected employee contributions:	(1,233,313)	4.29%	(1,346,985)	4.55%
4. Employer normal cost, 1+2+3:	1,493,200	5.20%	1,512,223	5.11%
5. Actuarial accrued liability:				
Active Participants:	45,817,789		48,269,210	
Terminated Vested Participants:	3,885,388		3,574,528	
Retirees and Beneficiaries:	45,133,407		47,921,503	
Total:	94,836,584		99,765,241	
6. Actuarial value of assets:	67,988,181		72,646,720	
7. Unfunded actuarial accrued liability:	26,848,403		27,118,521	
8. Employer normal cost projected to December 31:	1,605,190		1,625,639	
9. Payment on unfunded actuarial accrued liability:	2,273,288	7.91%	2,296,158	7.76%
10. Total recommended contribution, 8+9:	3,878,478	13.50%	3,921,797	13.25%
11. Annualized Payroll:	28,733,550		29,597,118	
12. Funded Status:	71.69%		72.82%	

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

RECOMMENDED CONTRIBUTION FOR CITY EMPLOYEES

	2014	% of Payroll	2015	% of Payroll
1. Total normal cost as of January 1:	1,078,566	14.30%	1,175,221	14.87%
2. Administrative expenses:	23,719	0.31%	32,316	0.41%
3. Expected employee contributions:	(314,372)	4.17%	(400,448)	5.07%
4. Employer normal cost, 1+2+3:	787,913	10.44%	807,089	10.21%
5. Actuarial accrued liability:				
Active Participants:	17,678,111		19,259,812	
Terminated Vested Participants:	1,621,053		1,664,818	
Retirees and Beneficiaries:	18,191,908		19,375,740	
Total:	37,491,072		40,300,370	
6. Actuarial value of assets:	23,072,208		24,093,635	
7. Unfunded actuarial accrued liability:	14,418,864		16,206,735	
8. Employer normal cost projected to December 31:	847,006		867,620	
9. Payment on unfunded actuarial accrued liability:	1,220,864	16.18%	1,372,244	17.37%
10. Total recommended contribution, 8+9:	2,067,870	27.41%	2,239,864	28.35%
11. Annualized Payroll:	7,544,763		7,901,130	
12. Funded Status:	61.54%		59.79%	

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

RECOMMENDED CONTRIBUTION FOR BOARD OF EDUCATION EMPLOYEES

	2014	% of Payroll	2015	% of Payroll
1. Total normal cost as of January 1:	1,587,947	7.49%	1,603,987	7.39%
2. Administrative expenses:	36,281	0.17%	47,684	0.22%
3. Expected employee contributions:	(918,940)	4.34%	(946,537)	4.36%
4. Employer normal cost, 1+2+3:	705,288	3.33%	705,134	3.25%
5. Actuarial accrued liability:				
Active Participants:	28,139,678		29,009,398	
Terminated Vested Participants:	2,264,335		1,909,710	
Retirees and Beneficiaries:	26,941,499		28,545,763	
Total:	57,345,512		59,464,871	
6. Actuarial value of assets:	44,915,973		48,553,085	
7. Unfunded actuarial accrued liability:	12,429,539		10,911,786	
8. Employer normal cost projected to December 31:	758,184		758,019	
9. Payment on unfunded actuarial accrued liability:	1,052,424	4.97%	923,914	4.26%
10. Total recommended contribution, 8+9:	1,810,608	8.55%	1,681,933	7.75%
11. Annualized Payroll:	21,188,787		21,695,988	
12. Funded Status:	78.33%		81.65%	

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUPPLEMENTARY INFORMATION REQUIRED BY GASB

SCHEDULE OF FUNDING PROGRESS

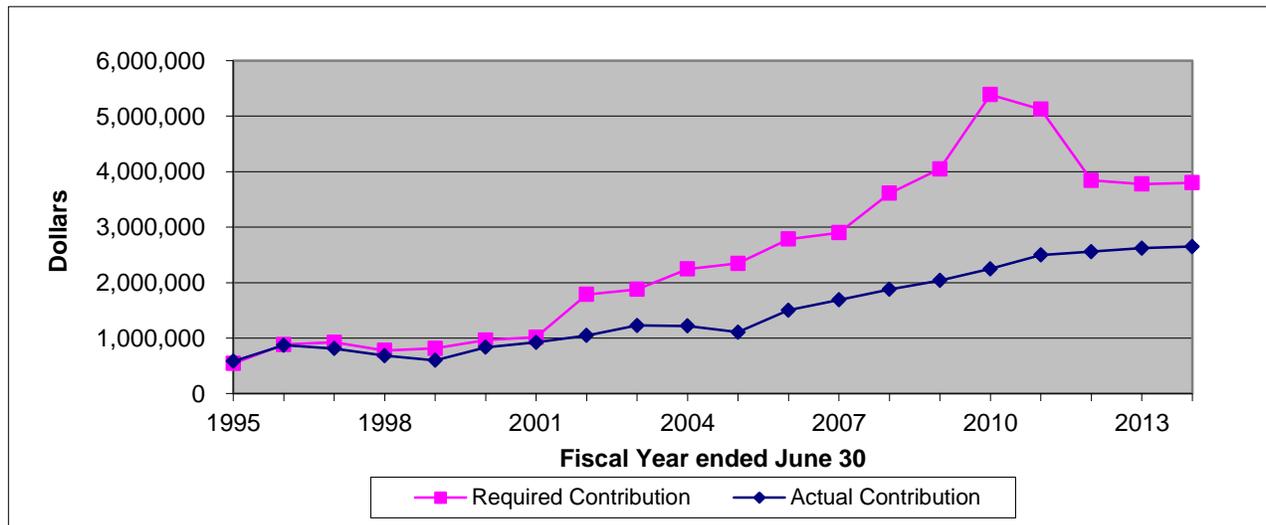
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Underfunded/ (Overfunded) AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
1/1/1997	21,887,900	19,977,000	(1,910,900)	109.57%	12,078,200	-15.82%
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%

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SCHEDULE OF FUNDING PROGRESS BASED ON FISCAL YEAR - ENTIRE PLAN

Fiscal Year Ended June 30	Annual Required Contributions	Actual Contribution	Percentage Contributed
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	1,219,458	54.28%
2005	2,345,116	1,107,169	47.21%
2006	2,785,751	1,501,794	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	3,775,872	2,622,349	69.45%
2014	3,799,091	2,649,918	69.75%

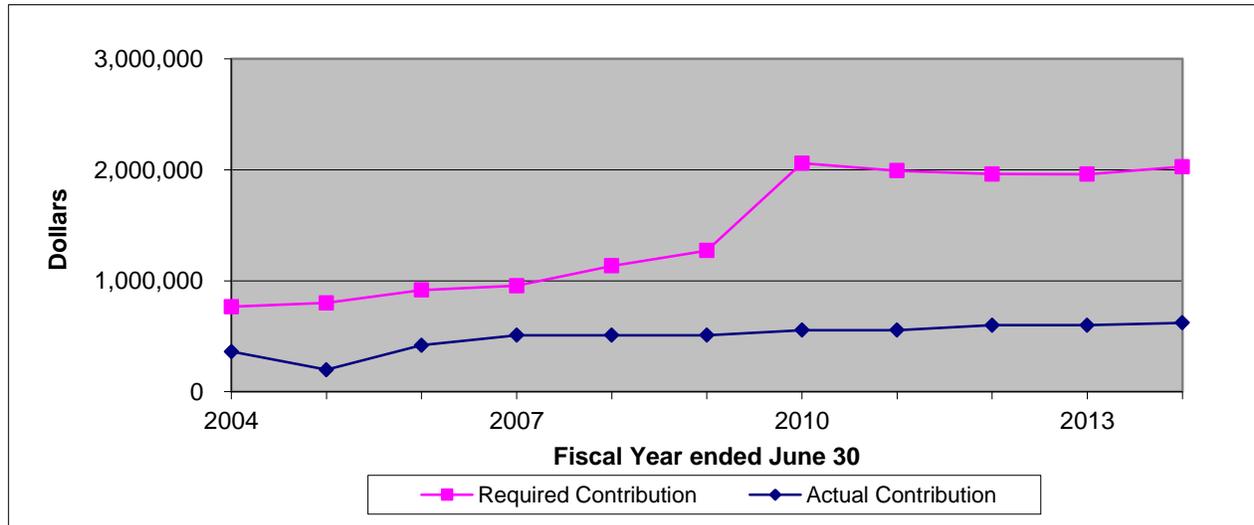


**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SCHEDULE OF FUNDING PROGRESS BASED ON FISCAL YEAR - CITY ONLY

Fiscal Year Ended June 30	Annual Required Contributions	Actual Contribution	Percentage Contributed
2004	766,447	361,708	47.19%
2005	800,067	198,237	24.78%
2006	916,949	418,543	45.65%
2007	954,528	510,000	53.43%
2008	1,134,839	510,000	44.94%
2009	1,272,606	510,000	40.08%
2010	2,058,984	555,000	26.96%
2011	1,991,572	555,000	27.87%
2012	1,962,172	600,000	30.58%
2013	1,959,704	600,000	30.62%
2014	2,028,112	621,135	30.63%

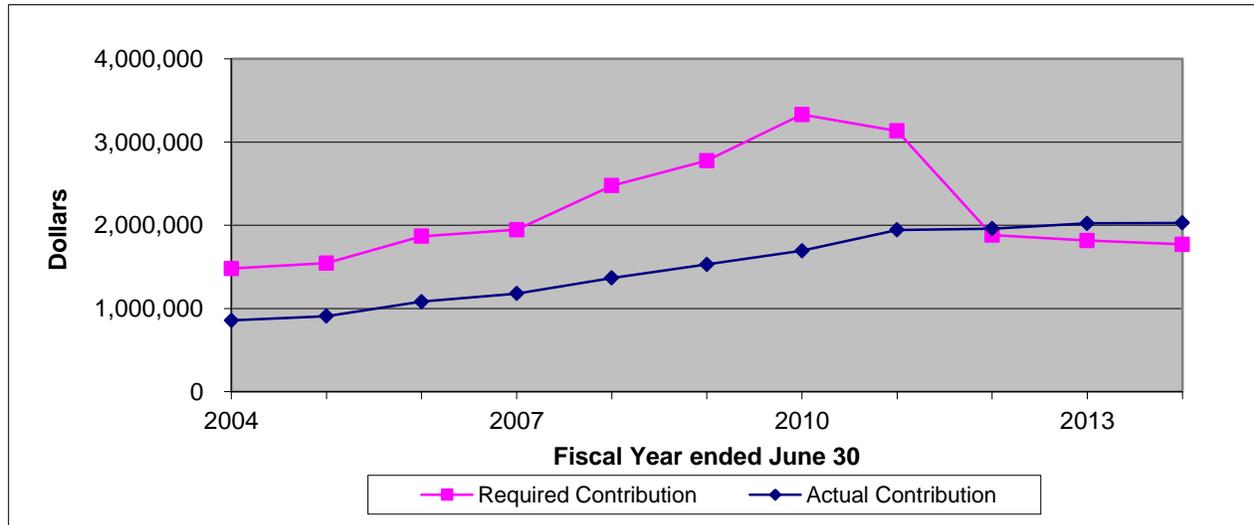


**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

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

Fiscal Year Ended June 30	Annual Required Contributions	Actual Contribution	Percentage Contributed
2004	1,480,125	857,750	57.95%
2005	1,545,049	908,932	58.83%
2006	1,868,802	1,083,251	57.96%
2007	1,945,392	1,180,334	60.67%
2008	2,475,055	1,367,860	55.27%
2009	2,775,697	1,529,388	55.10%
2010	3,329,996	1,694,457	50.88%
2011	3,134,103	1,943,651	62.02%
2012	1,880,413	1,959,636	104.21%
2013	1,816,168	2,022,349	111.35%
2014	1,770,979	2,028,783	114.56%



**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

ACTUARIAL ASSUMPTIONS AND COST METHOD

ACTUARIAL VALUATION DATE:	January 1, 2015
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:	2015 430(h) Annuitant & Non-Annuitant
Disabled:	PBGC Table for Disabled Participants receiving Social Security Benefits
TURNOVER:	<u>Fire and DPW:</u> Crocker Sarason T-1 Table <u>All Others:</u> Crocker Sarason T-6 Table
DISABILITY AND DEATH:	<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.
ASSUMED RETIREMENT AGE:	
Deferred Vested Participants:	Normal Retirement Age
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:</u> Earlier of age 62 or 5 years of service (if later), or age plus service equal to 80 <u>Board of Education:</u> For employees age 60 on 7/1/2014 - the earlier of age 62 or 5 years of service (if later), or attainment of Rule. 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. 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.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

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
ADMINISTRATIVE EXPENSE:	\$80,000
FORM OF PAYMENT:	Life Annuity
PERCENT MARRIED (3 year setback on females):	75%
COST OF LIVING INCREASES	1.5% for applicable employees
AMORTIZATION PERIOD:	Rolling 30 year
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.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - POLICE

PLAN EFFECTIVE DATE:	January 1, 1938
PLAN YEAR:	January 1 through December 31
ELIGIBILITY:	No age or service requirement. Police employees hired after 10/31/2014 shall not be eligible to participate.
ENTRY DATES:	First day of the month coinciding with or next following completion of the eligibility requirements.
RETIREMENT DATE:	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.
COMPENSATION:	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.
FINAL AVERAGE COMPENSATION:	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
RETIREMENT BENEFIT:	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.
NORMAL BENEFIT PAYMENT FORM:	Life Annuity, with refund.
EARLY RETIREMENT DATE:	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
EARLY RETIREMENT BENEFIT:	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, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - POLICE

POSTPONED RETIREMENT:	Benefit calculated and payable as of actual retirement date.
DISABILITY RETIREMENT:	<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>
PRE-RETIREMENT DEATH BENEFIT:	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none">(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><u>Service Related:</u></p> <ul style="list-style-type: none">(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:	6.32% of compensation after 01/01/2007.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - FIRE

PLAN EFFECTIVE DATE:	January 1, 1938
PLAN YEAR:	January 1 through December 31
ELIGIBILITY:	No age or service requirement. Fire employees hired after 2/5/2013 shall not be eligible to participate.
ENTRY DATES:	First day of the month coinciding with or next following completion of the eligibility requirements.
RETIREMENT DATE:	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.
COMPENSATION:	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.
FINAL AVERAGE COMPENSATION:	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
RETIREMENT BENEFIT:	2.00% of Final Average Compensation for each year of credited service, multiplied by 1.17.
NORMAL BENEFIT PAYMENT FORM:	Life Annuity, with refund
EARLY RETIREMENT DATE:	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
EARLY RETIREMENT BENEFIT:	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, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - FIRE

- POSTPONED RETIREMENT:** Benefit calculated and payable as of actual retirement date.
- DISABILITY RETIREMENT:** Non-Service Related: No age requirement; 5 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:**
- 7.23% 7/1/2013 - 6/30/2014
 - 7.605% 7/1/2014 - 6/30/2015
 - 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, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - DPW

PLAN EFFECTIVE DATE:	January 1, 1938
PLAN YEAR:	January 1 through December 31
ELIGIBILITY:	No age or service requirement. DPW employees hired after 9/17/2013 shall not be eligible to participate.
ENTRY DATES:	First day of the month coinciding with or next following completion of the eligibility requirements.
RETIREMENT DATE:	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
COMPENSATION:	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions and any other additional compensation.
FINAL AVERAGE COMPENSATION:	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
RETIREMENT BENEFIT:	2.00% of Final Average Compensation for each year of credited service.
NORMAL BENEFIT PAYMENT FORM:	Life Annuity, with refund
EARLY RETIREMENT DATE:	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
EARLY RETIREMENT BENEFIT:	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.
POSTPONED RETIREMENT:	Benefit calculated and payable as of actual retirement date.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - DPW

DISABILITY RETIREMENT:	<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>
PRE-RETIREMENT DEATH BENEFIT:	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none">(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><u>Service Related:</u></p> <ul style="list-style-type: none">(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:	3.10% 7/1/2013 - 6/30/2014 4.20% 7/1/2014 - 6/30/2015 5.30% 7/1/2015+

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - GENERAL

PLAN EFFECTIVE DATE:	January 1, 1938
PLAN YEAR:	January 1 through December 31
ELIGIBILITY:	No age or service requirement. Non union employees hired after 4/1/2013 shall not be eligible to participate.
ENTRY DATES:	First day of the month coinciding with or next following completion of the eligibility requirements.
RETIREMENT DATE:	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
COMPENSATION:	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions and any other additional compensation.
FINAL AVERAGE COMPENSATION:	Average of the 5 highest rates of Compensation on January 1, in the last 10 years prior to distribution.
RETIREMENT BENEFIT:	2.00% of Final Average Compensation for each year of credited service.
NORMAL BENEFIT PAYMENT FORM:	Life Annuity, with refund
EARLY RETIREMENT DATE:	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
EARLY RETIREMENT BENEFIT:	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.
POSTPONED RETIREMENT:	Benefit calculated and payable as of actual retirement date.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

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:

2.90% 7/1/2013 - 6/30/2014
3.80% 7/1/2014 - 6/30/2015
4.70% 7/1/2015+

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - BOARD OF EDUCATION

PLAN EFFECTIVE DATE:	January 1, 1938
PLAN YEAR:	January 1 through December 31
ELIGIBILITY:	No age or service requirement
ENTRY DATES:	First day of the month coinciding with or next following completion of the eligibility requirements.
RETIREMENT DATE:	First day of the month following earlier of: (1) 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 (2) 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
COMPENSATION:	Rate of annual basic compensation on January 1, excluding overtime, bonuses, commissions and any other additional compensation.
FINAL AVERAGE COMPENSATION:	Average of the highest 5 rates of Compensation on January 1, in the last 10 years prior to distribution.
RETIREMENT BENEFIT:	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.
NORMAL BENEFIT PAYMENT FORM:	Life Annuity, with refund.
EARLY RETIREMENT DATE:	First day of the month coinciding with or next following the date the participant attains age 55, and completes 10 years of vesting service.
EARLY RETIREMENT BENEFIT:	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.
POSTPONED RETIREMENT:	Benefit calculated and payable as of actual retirement date increased by 6% for each year past Normal Retirement.

**CITY OF RUTLAND
EMPLOYEES RETIREMENT SYSTEM**

**ACTUARIAL VALUATION AS OF
JANUARY 1, 2015**

SUMMARY OF PRINCIPAL PLAN PROVISIONS - BOARD OF EDUCATION

DISABILITY RETIREMENT:	<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>
PRE-RETIREMENT DEATH BENEFIT:	<p><u>Non Service Related:</u></p> <ul style="list-style-type: none">(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><u>Service Related:</u></p> <ul style="list-style-type: none">(1) No age or service requirement.(2) 100% of deceased participant's projected normal retirement benefit based on service to NRA, 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 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.
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.
COST OF LIVING INCREASES:	Benefits for Paraeducators, Maintenance, and Bussing employees who were active on 7/1/2014 and retire shall be increased 1.50% per year.
EMPLOYEE CONTRIBUTIONS:	Variable rates based on employee groups.