

Ross Township Police Pension Plan

Actuarial Report: January 1, 2021

SUMMARY OF ACTUARIAL VALUATION RESULTS

Valuation Date:	1/1/2019		1/1/2021				
Mortality assumption:	RP14 bc s/12+MP18		PubS + MP20	PubS + MP20	PubS + MP20	RP14 bc s/12+MP18	PubS + MP20
Actuarial value of assets:	Gen.Rule		Gen.Rule	Gen.Rule	Gen.Rule	Gen.Rule	Gen.Rule
Valuation Rate of Interest:	7.000%		7.000%	8.000%	6.000%	7.000%	6.750%
			+1% PER GASB 68	-1% PER GASB 68	Prior Assumptions	INFORMATIONAL	
A. Actuarial Accrued Liability:							
1. Actuarial Accrued Liability	\$	32,643,684	\$ 37,820,445	\$ 33,903,789	\$ 42,531,792	\$ 35,981,025	\$ 38,916,211
2. Actuarial Value of Assets		28,199,525	35,832,137	35,832,137	35,832,137	35,832,137	35,832,137
3. Unfunded Actuarial Liability = (1) - (2)	\$	4,444,159	\$ 1,988,308	\$ (1,928,348)	\$ 6,699,655	\$ 148,888	\$ 3,084,074
4. Funded Percentage = (2)/(1)		86.39%	94.74%	105.69%	84.25%	99.59%	92.08%
Distress level (based on distress score)							
5. Amortization Contribution (Advanced Funding Credit)	\$	551,769	\$ 372,938	\$ (192,835)	\$ 866,740	\$ 167,248	\$ 491,957
B. Components of Normal Cost:							
1. Entry Age Normal Cost %		16.770%	17.887%	14.075%	22.903%	17.080%	19.013%
2. Administrative expense percentage		0.684%	0.635%	0.635%	0.635%	0.635%	0.635%
3. Employee Contribution percentage		5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
C. Minimum Obligation of Municipality:							
1. Estimated Minimum Municipal Obligation (2022)							
a. Estimated payroll [see c/]	\$	4,641,172	\$ 4,641,172	\$ 4,641,172	\$ 4,641,172	\$ 4,641,172	\$ 4,641,172
b. Normal Cost (entry age)		778,325	830,166	653,245	1,062,968	792,712	882,426
c. Expenses [see c/]		29,471	29,471	29,471	29,471	29,471	29,471
d. Employee contributions		(232,059)	(232,059)	(232,059)	(232,059)	(232,059)	(232,059)
e. Past Service Amortization (Advance Funding Credit)	2021 MMO	551,769	372,938	(192,835)	866,740	167,248	491,957
f. Total	\$	1,090,205	\$ 1,127,506	\$ 1,000,516	\$ 257,822	\$ 1,727,120	\$ 757,372
				(126,990)	= change from 2022 MMO w/ 2019 AVR		(243,144)
							171,279
2. Estimated Minimum Municipal Obligation (2023)							
a. Estimated payroll = C(1a) x 1.0450			\$ 4,850,025	\$ 4,850,025	\$ 4,850,025	\$ 4,850,025	\$ 4,850,025
b. Normal Cost (entry age)			867,524	682,641	1,110,801	828,384	922,135
c. Expenses			30,798	30,798	30,798	30,798	30,798
d. Employee contributions			(242,501)	(242,501)	(242,501)	(242,501)	(242,501)
e. Past Service Amortization (Advance Funding Credit)			372,938	(192,835)	866,740	167,248	491,957
f. Total			\$ 1,028,759	\$ 278,103	\$ 1,765,838	\$ 783,929	\$ 1,202,389
D. Actuarial Accrued Liability:							
1. Actuarial Accrued Liability	\$	32,643,684	\$ 37,820,445	\$ 33,903,789	\$ 42,531,792	\$ 35,981,025	\$ 38,916,211
2. Market Value of Assets		27,375,895	35,832,137	35,832,137	35,832,137	35,832,137	35,832,137
3. Unfunded Actuarial Liability = (1) - (2)	\$	5,267,789	\$ 1,988,308	\$ (1,928,348)	\$ 6,699,655	\$ 148,888	\$ 3,084,074
4. Funded Percentage = (2)/(1)		83.86%	94.74%	105.69%	84.25%	99.59%	92.08%

NOTES:

b/ "Units" = 2 for each active uniformed participant, 1 for each non-uniformed active participant.

c/ Payroll based on current + 1 year's salary increase.

State aid from 76 units @ 1/2021 (see page 12): \$374,211

Increase in MMO if 5-year smoothing used: \$ 352,365

Act 44 of 2009 distress score table:			Amortization contribution reduction
Ratio	Score	Distress level	The election of this relief measure initiates the fixed period of relief.
90% or more	0	Not distressed	Fixed period of relief
70 - 89%	1	Minimal distress	→ 2 years
50 - 69%	2	Moderate distress	→ 4 years
<50%	3	Severe distress	→ 6 years

Ross Township General Employees' Pension Plan

Actuarial Report: January 1, 2021

SUMMARY OF ACTUARIAL VALUATION RESULTS

	1/1/2019	1/1/2021					
Valuation Date:	1/1/2019						
Mortality assumption:	RP14 bc s/f2+MP18						
Actuarial value of assets:	Gen.Rule	PubG + MP2020 Gen.Rule 7.00%	PubG + MP2020 Gen.Rule 8.00%	PubG + MP2020 Gen.Rule 6.00%	RP14 bc s/f2+MP18 Gen.Rule 7.00%	PubG + MP2020 Gen.Rule 6.750%	PubG(A) + MP2020 Gen.Rule 7.00%
Valuation Rate of Interest:	7.00%						
		<i>+1% PER GASB 68</i>	<i>-1% PER GASB 68</i>	<i>Prior Assumptions</i>	<i>INFORMATIONAL</i>	<i>INFORMATIONAL</i>	
A. Actuarial Accrued Liability:							
1. Actuarial Accrued Liability	\$ 12,660,949	\$ 14,167,355	\$ 12,951,786	\$ 15,583,959	\$ 12,905,695	\$ 14,501,089	\$ 14,376,340
2. Actuarial Value of Assets	13,160,450	16,091,829	16,091,829	16,091,829	16,091,829	16,091,829	16,091,829
3. Unfunded Actuarial Liability = (1) - (2)	\$ (499,501)	\$ (1,924,474)	\$ (3,140,043)	\$ (507,870)	\$ (3,186,134)	\$ (1,590,740)	\$ (1,715,489)
4. Funded Percentage = (2)/(1)	103.95%	113.58%	124.24%	103.26%	124.69%	110.97%	111.93%
Distress level (based on distress score)							
	Not distressed	Not distressed	Not distressed	Not distressed	Not distressed	Not distressed	Not distressed
5. Amortization Contribution (Advanced Funding Credit)	\$ (49,950)	\$ (192,447)	\$ (314,004)	\$ (50,787)	\$ (318,613)	\$ (159,074)	\$ (171,549)
B. Components of Normal Cost:							
1. Entry Age Normal Cost %	12.528%	13.644%	10.856%	17.203%	12.232%	14.454%	14.454%
2. Administrative expense percentage	0.639%	0.886%	0.886%	0.886%	0.886%	0.886%	0.886%
3. Employee Contribution percentage	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%
C. Minimum Obligation of Municipality:							
1. Estimated Minimum Municipal Obligation (2022)							
a. Estimated payroll <i>[see c/j]</i>	\$ 2,134,075	\$ 2,134,075	\$ 2,134,075	\$ 2,134,075	\$ 2,134,075	\$ 2,134,075	\$ 2,134,075
b. Normal Cost (entry age)	267,357	291,173	231,675	367,125	261,040	308,459	308,459
c. Expenses <i>[see c/j]</i>	18,908	18,908	18,908	18,908	18,908	18,908	18,908
d. Employee contributions	(64,022)	(64,022)	(64,022)	(64,022)	(64,022)	(64,022)	(64,022)
e. Past Service Amortization (Advance Funding Credit)	2021 MMO (49,950)	(192,447)	(314,004)	(50,787)	(318,613)	(159,074)	(171,549)
f. Total	\$ 164,392	\$ 172,293	\$ 53,612	\$ 0	\$ 271,224	\$ 0	\$ 91,796
2. Estimated Minimum Municipal Obligation (2023)							
a. Estimated payroll = C(1a) x 1.0450		\$ 2,230,108	\$ 2,230,108	\$ 2,230,108	\$ 2,230,108	\$ 2,230,108	\$ 2,230,108
b. Normal Cost (entry age)		304,276	242,101	383,645	272,787	322,340	322,340
c. Expenses		19,759	19,759	19,759	19,759	19,759	19,759
d. Employee contributions		(66,903)	(66,903)	(66,903)	(66,903)	(66,903)	(66,903)
e. Past Service Amortization (Advance Funding Credit)		(192,447)	(314,004)	(50,787)	(318,613)	(159,074)	(171,549)
f. Total		\$ 64,685	\$ 0	\$ 285,714	\$ 0	\$ 116,122	\$ 103,647
D. Actuarial Accrued Liability:							
1. Actuarial Accrued Liability	\$ 12,660,949	\$ 14,167,355	\$ 12,951,786	\$ 15,583,959	\$ 12,905,695	\$ 14,501,089	\$ 14,376,340
2. Market Value of Assets	12,790,865	16,091,829	16,091,829	16,091,829	16,091,829	16,091,829	16,091,829
3. Unfunded Actuarial Liability = (1) - (2)	\$ (129,916)	\$ (1,924,474)	\$ (3,140,043)	\$ (507,870)	\$ (3,186,134)	\$ (1,590,740)	\$ (1,715,489)
4. Funded Percentage = (2)/(1)	101.03%	113.58%	124.24%	103.26%	124.69%	110.97%	111.93%

NOTES:

b/ Units = z for each active uniformed participant, 1 for each non-uniformed active participant
 c/ Payroll based on current + 1 year's salary increase.

State aid from 30 units @ 1/2021 (see page 12): \$147,715

Increase in MMO if 5-year smoothing used: \$ 142,740

Act 44 of 2009 distress score table:			Amortization contribution reduction	
Ratio	Score	Distress level	The election of this relief measure initiates the fixed period of relief.	
90% or more	0	Not distressed	Fixed period of relief	
70 - 89%	1	Minimal distress	→ 2 years	
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