



CITY OF WINTER SPRINGS DEFINED BENEFIT PLAN

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2015 Funding Actuarial Valuation Report
and the Plan's Financial Reporting for Fiscal Year Ended September 30, 2015



November 2, 2016

Board of Trustees
c/o Mr. Shawn Boyle
Finance and Administrative Services Director
City of Winter Springs Defined Benefit Plan
1126 East State Road 434
Winter Springs, Florida 32708

Re: October 1, 2015 Chapter 112.664 Compliance Report

Dear Board Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Board of Trustees (Board) of the City of Winter Springs Defined Benefit Plan (Plan) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Board and is intended for use by the Board and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

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

This report was based upon information furnished by the City and the Board concerning Plan benefits, Plan provisions and Plan members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Board as of September 30, 2015. We reviewed the information provided for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City and Board.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Board as described in Section C. The assumptions relating to incidence of disability were last updated October 1, 2014. The Board's assumptions are based on past and expected future Plan experience and represent an estimate of future Plan experience.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future Plan experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid, Plan assets will be sufficient to pay all Plan benefits. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial closed amortization period of 30 years.

The Plan's funded ratio as of October 1, 2015 is 73.0% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

The Plan's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.


The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the Plan sponsor.

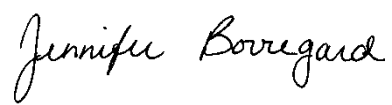
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and presents the actuarial position of the Plan as of the valuation date as required by statute. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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Date: November 2, 2016

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SECTION A
CHAPTER 112.664, F.S. RESULTS

City of Winter Springs Defined Benefit Plan

Net Pension Liability

Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

Measurement Date	<u>September 30, 2015</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 834,402
Interest	3,851,130
Benefit Changes	0
Difference Between Actual and Expected Experience	(107,513)
Assumption Changes	8,107
Benefit Payments	(2,202,769)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 2,383,357</u>
Total Pension Liability (TPL) - (beginning of year)	<u>48,505,511</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 50,888,868</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - County and City	\$ 2,392,948
Contributions - Member	358,106
Net Investment Income	5,160
Benefit Payments	(2,202,769)
Contribution Refunds	0
Administrative Expenses	(11,937)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 541,508</u>
Plan Fiduciary Net Position - (beginning of year)	<u>36,821,261</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 37,362,769</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 13,526,099
Valuation Date	October 1, 2014

Certain Key Assumptions

Investment Return Assumption 8.0%

Mortality Table:

Healthy General Members: RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA. Healthy Firefighter and Police Officer Members: RP-2000 Combined Healthy Participant Mortality Tables with Blue Collar Adjustment, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA. Disabled Members: RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

City of Winter Springs Defined Benefit Plan

Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S.

	September 30, 2015
Measurement Date	
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 845,215
Interest	3,881,782
Benefit Changes	0
Difference Between Actual and Expected Experience	(138,375)
Assumption Changes	(49,919)
Benefit Payments	(2,202,769)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	\$ 2,335,934
Total Pension Liability (TPL) - (beginning of year)	48,966,743
Total Pension Liability (TPL) - (end of year)	\$ 51,302,677
B. <u>Plan Fiduciary Net Position</u>	
Contributions - County and City	\$ 2,392,948
Contributions - Member	358,106
Net Investment Income	5,160
Benefit Payments	(2,202,769)
Contribution Refunds	0
Administrative Expenses	(11,937)
Other	0
Net Change in Plan Fiduciary Net Position	\$ 541,508
Plan Fiduciary Net Position - (beginning of year)	36,821,261
Plan Fiduciary Net Position - (end of year)	\$ 37,362,769
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 13,939,908

Valuation Date

October 1, 2014

Certain Key Assumptions

Investment Return Assumption

8.0%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

City of Winter Springs Defined Benefit Plan

Net Pension Liability

Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	<u>September 30, 2015</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,393,707
Interest	3,733,049
Benefit Changes	0
Difference Between Actual and Expected Experience	(187,539)
Assumption Changes	(51,218)
Benefit Payments	(2,202,769)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 2,685,230</u>
Total Pension Liability (TPL) - (beginning of year)	<u>62,163,926</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 64,849,156</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - County and City	\$ 2,392,948
Contributions - Member	358,106
Net Investment Income	5,160
Benefit Payments	(2,202,769)
Contribution Refunds	0
Administrative Expenses	(11,937)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 541,508</u>
Plan Fiduciary Net Position - (beginning of year)	<u>36,821,261</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 37,362,769</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 27,486,387
Valuation Date	October 1, 2014

Certain Key Assumptions

Investment Return Assumption 6.0%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

City of Winter Springs Defined Benefit Plan

Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	<u>September 30, 2015</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 525,397
Interest	3,888,828
Benefit Changes	0
Difference Between Actual and Expected Experience	(96,344)
Assumption Changes	(48,837)
Benefit Payments	(2,202,769)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>2,066,275</u>
Total Pension Liability (TPL) - (beginning of year)	39,609,450
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 41,675,725</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - County and City	\$ 2,392,948
Contributions - Member	358,106
Net Investment Income	5,160
Benefit Payments	(2,202,769)
Contribution Refunds	0
Administrative Expenses	(11,937)
Other	0
Net Change in Plan Fiduciary Net Position	<u>541,508</u>
Plan Fiduciary Net Position - (beginning of year)	36,821,261
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 37,362,769</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ 4,312,956

Valuation Date October 1, 2014

Certain Key Assumptions

Investment Return Assumption 10.0%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

City of Winter Springs Defined Benefit Plan

**Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions**

Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	\$ 37,362,769	\$ 2,878,978	\$ 2,569,681	\$ 37,672,066
2017	37,672,066	2,896,312	2,742,713	37,825,665
2018	37,825,665	2,902,405	2,887,369	37,840,701
2019	37,840,701	2,891,527	3,169,474	37,562,754
2020	37,562,754	2,862,927	3,318,081	37,107,600
2021	37,107,600	2,819,689	3,477,484	36,449,805
2022	36,449,805	2,755,010	3,758,980	35,445,835
2023	35,445,835	2,666,500	3,950,302	34,162,033
2024	34,162,033	2,558,049	4,084,485	32,635,597
2025	32,635,597	2,428,776	4,251,644	30,812,729
2026	30,812,729	2,277,091	4,388,367	28,701,453
2027	28,701,453	2,103,346	4,501,461	26,303,338
2028	26,303,338	1,907,383	4,597,529	23,613,192
2029	23,613,192	1,689,172	4,667,577	20,634,787
2030	20,634,787	1,447,481	4,747,408	17,334,860
2031	17,334,860	1,182,166	4,778,248	13,738,778
2032	13,738,778	893,715	4,796,095	9,836,398
2033	9,836,398	581,507	4,796,494	5,621,411
2034	5,621,411	246,188	4,752,593	1,115,006
2035	1,115,006	6,795	4,714,218	-
2036	-	-	4,639,339	-
2037	-	-	4,615,270	-
2038	-	-	4,576,153	-
2039	-	-	4,493,639	-
2040	-	-	4,395,212	-
2041	-	-	4,266,531	-
2042	-	-	4,130,506	-
2043	-	-	3,986,874	-
2044	-	-	3,830,085	-
2045	-	-	3,684,824	-
2046	-	-	3,523,537	-
2047	-	-	3,352,166	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, County or Members: 19.17

Certain Key Assumptions

Investment return assumption 8.0%

Mortality Table:

Healthy General Members: RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA. Healthy Firefighter and Police Officer Members: RP-2000 Combined Healthy Participant Mortality Tables with Blue Collar Adjustment, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA. Disabled Members: RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, County or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, County and Member contributions, the Plan is expected to be able to pay all future benefit payments.

City of Winter Springs Defined Benefit Plan

**Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(a), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	\$ 37,362,769	\$ 2,878,980	\$ 2,569,621	\$ 37,672,128
2017	37,672,128	2,896,303	2,743,041	37,825,390
2018	37,825,390	2,902,338	2,888,406	37,839,322
2019	37,839,322	2,891,329	3,171,520	37,559,131
2020	37,559,131	2,862,497	3,321,348	37,100,280
2021	37,100,280	2,818,898	3,482,269	36,436,909
2022	36,436,909	2,753,684	3,765,871	35,424,722
2023	35,424,722	2,664,409	3,959,669	34,129,462
2024	34,129,462	2,554,932	4,096,435	32,587,959
2025	32,587,959	2,424,317	4,266,772	30,745,504
2026	30,745,504	2,270,919	4,406,915	28,609,508
2027	28,609,508	2,095,029	4,523,912	26,180,625
2028	26,180,625	1,896,430	4,624,051	23,453,004
2029	23,453,004	1,675,026	4,698,638	20,429,392
2030	20,429,392	1,429,524	4,783,014	17,075,902
2031	17,075,902	1,159,718	4,818,663	13,416,957
2032	13,416,957	866,022	4,841,563	9,441,416
2033	9,441,416	547,741	4,847,120	5,142,037
2034	5,142,037	205,455	4,808,244	539,248
2035	539,248	909	4,774,974	-
2036	-	-	4,704,948	-
2037	-	-	4,686,058	-
2038	-	-	4,652,128	-
2039	-	-	4,574,400	-
2040	-	-	4,480,674	-
2041	-	-	4,356,214	-
2042	-	-	4,224,063	-
2043	-	-	4,083,813	-
2044	-	-	3,929,816	-
2045	-	-	3,786,821	-
2046	-	-	3,626,945	-
2047	-	-	3,456,122	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, County or Members: 19.08

Certain Key Assumptions

Investment return assumption 8.0%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, County or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, County and Member contributions, the Plan is expected to be able to pay all future benefit payments.

City of Winter Springs Defined Benefit Plan

**Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(b), F.S.**

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	\$ 37,362,769	\$ 2,158,997	\$ 2,569,621	\$ 36,952,145
2017	36,952,145	2,128,773	2,743,041	36,337,877
2018	36,337,877	2,087,235	2,888,406	35,536,706
2019	35,536,706	2,030,045	3,171,520	34,395,231
2020	34,395,231	1,956,731	3,321,348	33,030,614
2021	33,030,614	1,869,671	3,482,269	31,418,016
2022	31,418,016	1,763,780	3,765,871	29,415,925
2023	29,415,925	1,637,412	3,959,669	27,093,668
2024	27,093,668	1,493,671	4,096,435	24,490,904
2025	24,490,904	1,332,019	4,266,772	21,556,151
2026	21,556,151	1,151,419	4,406,915	18,300,655
2027	18,300,655	952,321	4,523,912	14,729,064
2028	14,729,064	734,800	4,624,051	10,839,813
2029	10,839,813	499,042	4,698,638	6,640,217
2030	6,640,217	244,349	4,783,014	2,101,552
2031	2,101,552	22,138	4,818,663	-
2032	-	-	4,841,563	-
2033	-	-	4,847,120	-
2034	-	-	4,808,244	-
2035	-	-	4,774,974	-
2036	-	-	4,704,948	-
2037	-	-	4,686,058	-
2038	-	-	4,652,128	-
2039	-	-	4,574,400	-
2040	-	-	4,480,674	-
2041	-	-	4,356,214	-
2042	-	-	4,224,063	-
2043	-	-	4,083,813	-
2044	-	-	3,929,816	-
2045	-	-	3,786,821	-
2046	-	-	3,626,945	-
2047	-	-	3,456,122	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, County or Members: 15.42

Certain Key Assumptions

Investment return assumption 6.0%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, County or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, County and Member contributions, the Plan is expected to be able to pay all future benefit payments.

City of Winter Springs Defined Benefit Plan

**Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions**

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2016	\$ 37,362,769	\$ 3,599,116	\$ 2,569,621	\$ 38,392,264
2017	38,392,264	3,692,808	2,743,041	39,342,031
2018	39,342,031	3,780,026	2,888,406	40,233,651
2019	40,233,651	3,854,076	3,171,520	40,916,207
2020	40,916,207	3,914,334	3,321,348	41,509,193
2021	41,509,193	3,965,043	3,482,269	41,991,967
2022	41,991,967	3,998,182	3,765,871	42,224,278
2023	42,224,278	4,011,068	3,959,669	42,275,677
2024	42,275,677	4,008,908	4,096,435	42,188,150
2025	42,188,150	3,991,063	4,266,772	41,912,441
2026	41,912,441	3,956,012	4,406,915	41,461,538
2027	41,461,538	3,904,676	4,523,912	40,842,302
2028	40,842,302	3,837,407	4,624,051	40,055,658
2029	40,055,658	3,754,762	4,698,638	39,111,782
2030	39,111,782	3,655,870	4,783,014	37,984,638
2031	37,984,638	3,541,253	4,818,663	36,707,228
2032	36,707,228	3,412,290	4,841,563	35,277,955
2033	35,277,955	3,269,066	4,847,120	33,699,901
2034	33,699,901	3,113,335	4,808,244	32,004,992
2035	32,004,992	2,945,620	4,774,974	30,175,638
2036	30,175,638	2,766,423	4,704,948	28,237,113
2037	28,237,113	2,573,579	4,686,058	26,124,634
2038	26,124,634	2,364,142	4,652,128	23,836,648
2039	23,836,648	2,139,492	4,574,400	21,401,740
2040	21,401,740	1,901,004	4,480,674	18,822,070
2041	18,822,070	1,649,681	4,356,214	16,115,537
2042	16,115,537	1,386,081	4,224,063	13,277,555
2043	13,277,555	1,109,770	4,083,813	10,303,512
2044	10,303,512	820,585	3,929,816	7,194,281
2045	7,194,281	517,295	3,786,821	3,924,755
2046	3,924,755	198,876	3,626,945	496,686
2047	496,686	1,664	3,456,122	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City, County or Members: 31.08

Certain Key Assumptions

Investment return assumption 10.0%

Mortality Table:

RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

Note: As required in Section 112.664(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City, County or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City, County and Member contributions, the Plan is expected to be able to pay all future benefit payments.

City of Winter Springs Defined Benefit Plan

ACTUARIALLY DETERMINED CONTRIBUTION												
	Valuation Assumptions			112.664(1)(a), F.S. Assumptions		112.664(1)(b), F.S. Assumptions		112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption				
A. Valuation Date	October 1, 2015			October 1, 2015		October 1, 2015		October 1, 2015				
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2017			September 30, 2017		September 30, 2017		September 30, 2017				
C. Annual Payroll of Active Employees	\$	6,868,214		\$	6,868,214	\$	6,868,214	\$	6,868,214			
D. Total Minimum Funding Requirement												
1. Total Normal Cost	\$	820,218		\$	830,958	\$	1,368,324	\$	517,835			
2. Annual Payment to Amortize Unfunded Actuarial Liability		1,257,178			1,289,688		2,049,083		535,653			
3. Interest Adjustment		97,510			99,610		122,814		59,325			
4. Total Minimum Funding Requirement	\$	2,174,906		\$	2,220,256	\$	3,540,221	\$	1,112,813			
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$	6,868,214	100.00%	\$	6,868,214	100.00%	\$	6,868,214	100.00%	\$	6,868,214	100.00%
F. Expected Contribution Sources (\$ / % of pay)												
1. County and City	\$	1,831,495	26.67%	\$	1,876,845	27.33%	\$	3,196,810	46.54%	\$	769,402	11.20%
2. Member		343,411	5.00%		343,411	5.00%		343,411	5.00%		343,411	5.00%
3. Total	\$	2,174,906	31.67%	\$	2,220,256	32.33%	\$	3,540,221	51.55%	\$	1,112,813	16.20%

City of Winter Springs Defined Benefit Plan

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

<u>Amortization Base</u>	Current Unfunded <u>Liabilities</u>	Valuation <u>Assumptions</u>	Amortization Payment			Remaining Funding Period
			112.664(1)(a), F.S. <u>Assumptions</u>	112.664(1)(b), F.S. <u>Assumptions</u>	112.664(1)(a), F.S. <u>Assumptions Plus 2%</u>	
10/01/2000 Initial	\$ 1,817,448	\$ 196,603	\$ 196,603	\$ 176,537	\$ 217,224	15 years
10/01/2002 Assumption Change	(23,856)	(2,422)	(2,422)	(2,148)	(2,704)	17 years
10/01/2003 Plan Amendment	152,251	15,042	15,042	13,265	16,876	18 years
10/01/2004 Plan Amendment	232,644	22,430	22,430	19,670	25,284	19 years
10/01/2005 Plan Amendment	485,389	45,776	45,776	39,923	51,831	20 years
10/01/2006 Plan Amendment	561,747	51,926	51,926	45,048	59,047	21 years
10/01/2007 Plan Amendment	577,999	52,465	52,465	45,283	59,904	22 years
10/01/2008 Plan Amendment and Assumption Change	2,607,342	232,783	232,783	199,925	266,830	23 years
10/01/2008 Method Change	5,827,796	520,304	520,304	446,863	596,405	23 years
10/01/2009 Actuarial Loss / (Gain)	2,502,693	220,093	220,093	188,125	253,227	24 years
10/01/2010 Actuarial Loss / (Gain)	(464,479)	(40,289)	(40,289)	(34,278)	(46,519)	25 years
10/01/2010 Plan Amendment	(2,692,935)	(233,584)	(233,584)	(198,735)	(269,705)	25 years
10/01/2011 Actuarial Loss / (Gain)	2,955,724	253,172	253,172	214,442	293,313	26 years
10/01/2012 Actuarial Loss / (Gain)	1,001,111	84,768	84,768	71,492	98,525	27 years
10/01/2013 Actuarial Loss / (Gain)	(782,407)	(65,555)	(65,555)	(55,058)	(76,428)	28 years
10/01/2014 Actuarial Loss / (Gain)	(835,440)	(69,325)	(69,325)	(57,992)	(81,059)	29 years
10/01/2014 Assumption Change	7,847	651	651	545	761	29 years
10/01/2015 Actuarial Loss / (Gain)	(336,299)	(27,660)	(27,660)	(23,049)	(32,431)	30 years
10/01/2015 Assumption Change - 112.664(1)(a), F.S. Assumptions	395,270	N/A	32,510	N/A	N/A	30 years
10/01/2015 Assumption Change - 112.664(1)(b), F.S. Assumptions	13,995,780	N/A	N/A	959,225	N/A	30 years
10/01/2015 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(9,277,973)	N/A	N/A	N/A	(894,728)	30 years

SECTION B
SUMMARY OF PLAN PROVISIONS

City of Winter Springs Defined Benefit Plan

Outline of Principal Provisions of the Retirement Plan (as of October 1, 2015)

A. Effective Date

Plan adopted as a Money Purchase Floor Offset plan on October 1, 1997. Plan amended and restated as a Defined Benefit Plan effective October 1, 2000. Plan most recently amended by Resolution 2011-57 adopted December 12, 2011.

B. Eligibility Requirements

General Employees hired prior to October 1, 2011, Police Officers and Forensic Professionals working 30 or more hours per week are eligible to join the Plan on the first day of the month following completion of six (6) months of service. Electing transferring Firefighters as of October 2, 2008 under the Agreement with the County.

C. Accrual Service

Years of Accrual Service are any Plan Years during which an Employee completes at least 1,000 hours of service, including years of service completed prior to participation in the Plan.

D. Compensation

Wages, salaries and other amounts received (whether or not paid in cash) for personal services actually rendered in the course of employment. Effective October 10, 2011 Compensation shall exclude commissions, bonuses, overtime pay in excess of one hundred fifty (150) hours per Plan year and payments for accrued leave in excess of the dollar amount of an Employee's accrued leave balance on July 1, 2011.

E. Final Average Compensation

Average earnings during the best five (5) consecutive years out of the last ten (10) years preceding termination or retirement, but not less than the three (3) highest consecutive compensation periods during employment with the City as of September 30, 2011.

F. Normal Retirement

1. Eligibility:

- (a) Attainment of age 65; or
- (b) Completion of 30 years of service and determined to be disabled under the City's long term disability insurance policy.

City of Winter Springs Defined Benefit Plan

Outline of Principal Provisions of the Retirement Plan (as of October 1, 2015)

2. Benefit:

For Firefighters, Police Officers and Forensic Professionals, 3.00% times Final Average Compensation multiplied by Accrual Service, up to a maximum of 30 years.

For General Employees, 3.00% times Accrual Service earned through September 30, 2011 times Final Average Compensation plus 2.50% times Accrual Service earned after September 30, 2011 times Final Average Compensation, up to a maximum of 30 years of Accrual Service.

G. Early Retirement

1. Eligibility:

- (a) Attainment of age 55 and completion of 15 years of service; or
- (b) Completion of 25 years of service.

2. Benefit:

Benefit accrued to date of early retirement, actuarially reduced for each year early retirement benefit commencement precedes age 55.

H. Late Retirement

1. Eligibility:

Continued employment beyond Normal Retirement Date.

2. Benefit:

Greater of (a) and (b):

- (a) Accrued benefit calculated as for Normal Retirement based upon service and pay at Late Retirement Date.
- (b) Actuarially increased benefit as of Late Retirement Date.

I. Disability Retirement

1. Eligibility:

Completion of 30 years of service and determined to be disabled under the City's long term disability insurance policy.

2. Benefit:

Accrued benefit calculated as for Normal Retirement based upon service and pay at Disability Retirement Date.

City of Winter Springs Defined Benefit Plan

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2015)

J. Death Benefit

Beneficiary entitled to a monthly benefit supported by the present value of the non-forfeitable accrued benefit at the time of the participant's death. If death occurs after actual retirement, the beneficiary receives whatever is payable under the form of benefit option elected.

K. Participant Contributions

Five percent (5%) of compensation for all employees.

L. Vested Benefit Upon Termination

100% vested in required participant contributions. Participant contributions made after October 1, 2000 are included in the deferred vested benefit payable at normal or early retirement date.

Upon termination of service prior to normal or early retirement date a participant shall be entitled to a benefit payable at normal or early retirement date calculated as for normal retirement. Based on pay and service at date of termination multiplied by a percentage from the following table.

<u>Years of Service</u>	<u>Vested Percentage</u>
Less Than 7	0%
7 or More	100%

M. Normal Form of Payment of Retirement Income

Monthly benefit payable for life.

Other Options

Actuarially equivalent joint and survivor at 50%, 75%, 100%; or ten (10) years certain and life.

N. Changes Since Previous Valuation

None.

SECTION C
ACTUARIAL ASSUMPTIONS AND COST METHODS
USED FOR FUNDING

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2015)

A. Mortality

For healthy General Employee participants, RP-2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

For healthy Firefighter and Police Officer participants, RP-2000 Combined Healthy Participant Mortality Tables with Blue Collar Adjustment, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

For disabled participants, RP-2000 Disabled Mortality Tables, separate rates for males and females, with fully generational mortality improvements projected to each future payment date with Scale AA.

B. Investment Return

8.0%, compounded annually, net of investment expenses.

C. Allowances for Expenses or Contingencies

Prior year's actual administrative expenses are included in normal cost.

D. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below per year until retirement.

<u>Service</u>	<u>General Employees</u>	<u>Firefighters and Police Officers</u>
Less than 5 years	6.5%	7.5%
5 - 9 years	5.5%	5.5%
10 - 14 years	4.5%	5.5%
15+ years	3.0%	3.5%

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2015)

E. Employee Withdrawal Rates

1. Withdrawal rates for male General Employees were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates per 100 Employees</u>										
	<u>Service</u>										
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10+</u>
20	32.8	25.4	22.7	18.4	15.8	11.7	11.1	11.1	11.0	10.0	9.8
25	27.2	18.5	17.2	14.6	12.7	9.7	8.5	8.4	7.7	6.3	6.2
30	25.8	15.4	14.0	13.2	11.8	8.8	7.8	7.1	6.4	5.5	4.7
35	25.8	14.3	12.8	12.6	10.9	8.5	7.5	6.8	6.2	5.3	4.2
40	24.4	12.6	12.0	10.7	9.0	7.4	6.7	6.2	5.8	5.3	3.0
45	24.4	12.5	11.6	10.3	8.8	6.8	6.5	6.0	5.1	5.1	2.7
50	23.4	12.2	10.7	9.4	7.9	6.0	5.5	5.3	4.6	4.6	3.0
55	27.4	12.2	10.7	9.3	7.8	6.8	5.4	5.2	4.4	4.3	4.5
60	27.4	12.2	10.7	9.3	7.8	6.8	5.4	5.1	4.3	4.2	5.3
65	27.4	12.2	10.7	9.3	7.8	6.8	5.4	5.1	4.3	4.2	3.7

2. Withdrawal rates for female General Employees were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates per 100 Employees</u>										
	<u>Service</u>										
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10+</u>
20	30.3	25.8	22.1	17.4	15.4	13.5	11.4	11.3	10.5	10.2	11.6
25	26.6	19.8	17.1	13.0	12.9	10.7	9.7	9.2	7.8	7.1	5.3
30	25.4	16.9	14.5	11.6	11.3	9.4	8.7	8.1	7.1	6.5	5.4
35	25.4	15.9	13.5	11.2	10.9	9.0	8.0	7.8	6.8	6.2	4.6
40	24.4	14.0	12.1	10.0	9.1	7.0	6.5	6.3	6.1	5.0	3.3
45	24.4	13.9	11.9	9.8	8.8	6.7	6.5	6.1	5.8	4.7	3.0
50	23.2	13.4	11.0	8.8	8.4	6.2	5.9	5.5	5.5	4.6	3.0
55	23.2	13.4	11.0	8.7	8.3	6.1	5.8	5.4	5.4	4.5	3.0
60	23.2	13.4	11.0	8.7	8.3	6.1	5.8	5.4	5.4	4.5	3.0
65	23.2	13.4	11.0	8.7	8.3	6.1	5.8	5.4	5.4	4.5	3.0

The withdrawal assumptions are the withdrawal assumptions used in the July 1, 2015 Florida Retirement System (FRS) Actuarial Valuation.

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2015)

E. Employee Withdrawal Rates (continued)

3. Withdrawal rates for male Firefighters and Police Officers were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates per 100 Employees</u>										
	<u>Service</u>										
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10+</u>
20	21.4	10.3	8.6	8.4	7.5	5.3	5.2	3.1	2.9	2.6	2.3
25	20.6	9.8	8.1	7.9	7.0	5.3	5.2	3.1	2.9	2.6	2.3
30	20.6	9.5	7.7	7.5	6.7	5.3	5.2	3.1	2.9	2.6	2.1
35	20.6	8.8	7.4	7.2	6.5	5.3	5.1	3.1	2.9	2.6	2.0
40	20.6	8.0	6.8	6.7	6.0	4.8	4.6	3.1	2.9	2.6	1.9
45	20.6	7.3	6.0	6.0	5.5	4.3	4.1	3.1	2.9	2.6	1.8
50	20.6	6.5	5.3	5.3	5.0	3.8	3.6	3.1	2.9	2.6	1.8
55	20.6	5.8	4.7	4.7	4.6	3.3	3.2	3.1	2.9	2.6	1.8
60	20.6	5.3	4.7	4.7	4.6	3.3	3.2	3.1	2.9	2.6	1.8
65	20.6	5.3	4.7	4.7	4.6	3.3	3.2	3.1	2.9	2.6	1.8

4. Withdrawal rates for female Firefighters and Police Officers were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates per 100 Employees</u>										
	<u>Service</u>										
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10+</u>
20	21.3	15.5	12.3	10.3	9.7	6.1	5.9	5.0	4.2	4.2	1.9
25	21.3	14.2	11.6	9.8	9.2	6.1	5.9	5.0	4.2	4.2	1.9
30	21.3	13.2	10.6	9.3	8.7	6.1	5.9	5.0	4.2	4.2	1.7
35	21.3	12.2	9.6	8.8	8.4	6.1	5.9	5.0	4.2	4.1	1.5
40	21.3	11.2	8.6	8.3	7.6	6.1	5.9	5.0	4.1	4.1	2.5
45	21.3	10.2	7.6	7.6	7.0	6.1	5.9	5.0	4.1	4.1	2.5
50	21.3	9.2	6.6	6.6	6.4	6.1	5.9	5.0	4.1	4.0	1.6
55	21.3	8.4	5.8	5.6	5.4	5.3	5.1	5.0	4.1	4.0	4.0
60	21.3	8.4	5.8	5.6	5.4	5.3	5.1	5.0	4.1	4.0	4.0
65	21.3	8.4	5.8	5.6	5.4	5.3	5.1	5.0	4.1	4.0	4.0

The withdrawal assumptions are the withdrawal assumptions used in the July 1, 2015 FRS Actuarial Valuation.

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2015)

F. Disability Rates

1. Line-of-duty disability rates for General Employees were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.000%	0.000%
25	0.001%	0.001%
30	0.001%	0.001%
35	0.001%	0.001%
40	0.001%	0.001%
45	0.004%	0.001%
50	0.006%	0.006%
55	0.006%	0.006%
60	0.010%	0.013%
65	0.010%	0.010%

2. Non-duty disability rates for General Employees were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.000%	0.000%
25	0.010%	0.010%
30	0.010%	0.010%
35	0.020%	0.010%
40	0.020%	0.020%
45	0.080%	0.060%
50	0.160%	0.100%
55	0.250%	0.160%
60	0.300%	0.260%
65	0.100%	0.080%

The disability assumptions are the disability assumptions used in the July 1, 2015 FRS Actuarial Valuation.

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2015)

F. Disability Rates (continued)

3. Line-of-duty disability rates for Firefighters and Police Officers were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.010%	0.000%
25	0.010%	0.004%
30	0.010%	0.004%
35	0.010%	0.004%
40	0.020%	0.040%
45	0.060%	0.040%
50	0.140%	0.050%
55	0.100%	0.080%
60	0.140%	0.150%
65	0.260%	0.150%

4. Non-duty disability rates for Firefighters and Police Officers were used in accordance with the following illustrative example.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.020%	0.000%
25	0.020%	0.020%
30	0.030%	0.020%
35	0.030%	0.030%
40	0.030%	0.030%
45	0.030%	0.060%
50	0.080%	0.110%
55	0.050%	0.110%
60	0.050%	0.110%
65	0.050%	0.110%

The disability assumptions are the disability assumptions used in the July 1, 2015 FRS Actuarial Valuation.

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2015)

G. Assumed Retirement Age

Retirement rates were used in accordance with the following tables.

1. For Police Officers and Firefighters:

<u>Age</u>	<u>Years of Service</u>				
	<u>0 - 10</u>	<u>10 - 15</u>	<u>15 - 25</u>	<u>25 - 30</u>	<u>30 or more</u>
Under 55	0%	0%	0%	4%	5%
55	0%	10%	15%	40%	50%
56 - 64	0%	10%	15%	15%	20%
65 and above	100%	100%	100%	100%	100%

2. For General Employees:

<u>Age</u>	<u>Years of Service</u>				
	<u>0 - 10</u>	<u>10 - 15</u>	<u>15 - 25</u>	<u>25 - 30</u>	<u>30 or more</u>
Under 55	0%	0%	0%	2%	2%
55	0%	5%	10%	20%	25%
56 - 64	0%	5%	10%	4%	5%
65 and above	100%	100%	100%	100%	100%

H. Marital Assumptions

1. 100% of active members are assumed to be married.
2. Females are assumed to be three (3) years younger than their male spouses.

I. Interest on Future Participant Contributions

3.75%, compounded annually.

City of Winter Springs Defined Benefit Plan

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation (as of October 1, 2015)

J. Asset Valuation Method

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets - adjusted for equation of balance October 1, 2010.

K. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry Age Normal Cost Method

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Fund had always been in effect. The normal cost for the Fund is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Fund is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Fund.

L. Changes Since Previous Valuation

None.

GLOSSARY

<i>Actuarial Accrued Liability</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.

***GASB No. 67 and
GASB No. 68***

These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.

Normal Cost

The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Open Amortization Period

An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

Unfunded Actuarial Accrued Liability

The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date

The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.