

**TOWN OF TIVERTON, RHODE ISLAND
TOWN COUNCIL
343 HIGHLAND ROAD**

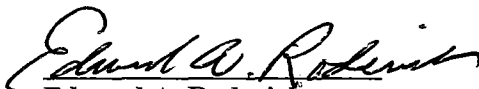
**RESOLUTION OF THE TIVERTON TOWN COUNCIL
TIVERTON POLICE PENSION FUNDING IMPROVEMENT PLAN
MARCH 11, 2013**

Resolved: By the Town Council of the Town of Tiverton that Option One of the Funding Improvement Plan for the Tiverton Police Pension Plan is hereby approved.

The Funding Improvement Plan is to increase the funding contribution rate of the system beginning in fiscal year 2012-2013 to 119% of the recommended contribution. The FIP will be maintained as defined. The amortization period for the current unfunded liability will be changed from 25 years on a rolling or open method to 25 years on a closed method in the determination of the recommended contribution.

The pension contribution increased from \$550,000 in FY 12 to \$700,000 in FY 13. The impact of this increase was already planned for in this year's budgetary process. Furthermore, the Town plans to sustain that level of funding going forward; and the impact of that increase has been mitigated by prudent management of our expenses.

BY COUNCIL, ADOPTED AND ORDERED THE 11th day of MARCH, 2013.


**Edward A. Roderick
Councilor President**

ATTEST:


**Nancy L. Mello
Town Clerk**

TOWN OF TIVERTON, RHODE ISLAND

OFFICE OF TOWN ADMINISTRATOR

James C. Goncalo
Town Administrator

cc: Nancy

October 24, 2012

RI Department of Revenue
Rosemary Booth Gallogly, Chairperson
Pension Study Commission
One Capitol Hill
Providence, RI 02908-5855

Dear Ms Gallogly:

Enclosed you will find the Funding Improvement Plan (FIP) for the Tiverton Police Pension Plan. This was prepared by our Actuary in conjunction with our Pension Administrator and members of the Board of Trustees. The FIP has been reviewed and approved by the entire Board of Trustees.

In your review, you will find that we are forecasting emerging from "critical status" in approximately eight (8) years, Exhibit B. Our contribution for the Fiscal Year 2012-2013 exceeded our Annual Required Contribution (ARC) and as the budgetary impact has already been absorbed, we should be able to maintain that ARC for a few years.

Should you have questions subsequent to your review, please contact me at 401.625.6710.

Sincerely,

James C. Goncalo, Chairperson
Board of Trustees
Tiverton Police Pension

cc: Board of Trustees
Tiverton Town Council
Compensation Planning
McLoud & Nichols

Town Hall + 343 Highland Road + Tiverton, Rhode Island 02878-4499 + Phone (401) 625-6710 + Fax (401) 625-6777
E-Mail: townadministrator@townoftivertonri.com

TOWN OF TIVERTON

FINANCIAL IMPROVEMENT PLAN

Executive Summary

In accordance with Rhode Island General Laws Section 45-65-6, the Town is submitting this Funding Improvement Plan (Plan) to the Locally-Administered Pension Plans Study Commission. The Town completed an actuarial valuation as of July 1, 2012 and an experience study as of July 1, 2011. Based on these results the funded status of the pension system is 50.6% and therefore, considered in critical status.

In the pages that follow we will describe our plans for increasing this ratio to the point that the plan is no longer considered in critical status. The local governing body for the Town has adopted **Option number 1**, in order to emerge from critical status. This will be accomplished through increased funding contributions. We expect to achieve this goal in about 8 years.

Current Funding

The Town has accepted the recommendations of our actuary for increasing the current contribution rate. Based on these results, the actuary is recommending a pension contribution of \$700,000 to the trust based on a 25 year amortization with payments remaining at that level for no less than 8 years. The City has budgeted \$700,000 for fiscal year 2012-2013, or 119% of the recommended contribution. This also represents 1.72% of our revenue. For fiscal year 2011-2012, the Town contributed 81% of the recommended contribution.

Option 1 Future Funding

The Funding Improvement Plan is to increase the funding contribution rate of the system beginning in fiscal year 2012-2013 to 119% of the recommended contribution. The FIP will be maintained as defined. The amortization period for the current unfunded liability will be changed from 25 years on a rolling or open method to 25 years on a closed method in the determination of the recommended contribution. Exhibit A shows the forecast of key values prior to the aforementioned changes and Exhibits B and C show the forecast of key values **after** such changes are made with Exhibit C using an interest rate assumption that is 0.5% lower than the currently assumed rate. Exhibits D and E describe the actuarial assumptions and plan provisions, respectively.

The Pension contribution increased from \$550,000 in FY12 to \$700,000 in FY13. The impact of this increase was already planned for in this year's budgetary process. Furthermore, the Town

plans to sustain that level of funding going forward; and the impact of that increase has been mitigated by prudent management of our expenses.

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Plan Changes

The Town does not intend to negotiate reductions in the pension benefits provided to current active and retired plan participants at this time.

Options 2 - 4 Future Funding

Discussions regarding a Funding Improvement Plan also included the following possible scenarios:

- Option 2 – Elimination of the COLA provision for future and possibly current retirees
- Option 3 – Require 25 years of Credited Service for all current active participants to reach eligibility for Normal Retirement
- Option 4 – Freeze all benefits in the current plan effective July 1, 2015

Option 1 as outlined in this report was deemed to be a feasible solution to the Town and one that is anticipated to meet the goal of emerging from critical status in less than a decade.

The Town of Tiverton is confident that this goal can be met under the Funding Improvement Plan detailed here.

The attached report provided by the Plan's actuary contains the required supporting documentation for the Funding Improvement Plan described in this report.

McCloud & Nichols
QUALIFIED PLAN CONSULTING AND ADMINISTRATION

205 W. KANSAS
LIBERTY, MO 64068
(816) 792-3838 * Fax (816) 792-8350

October 19, 2012

Mr. James Goncalo
Town Administrator
343 Highland Road
Tiverton, Rhode Island 02878

Town of Tiverton Police Department Pension Plan
Funding Improvement Plan information and Exhibits

Dear James:

McCloud & Nichols was asked to perform a study of the projected assets, liabilities and funding obligations of the Plan in order to assist with the preparation of a Funding Improvement Plan in accordance with Rhode Island General Laws Section 45-65-6.

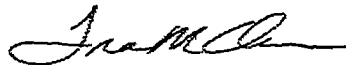
The exhibits contained in this report are intended to supplement the Funding Improvement Plan that the Town of Tiverton will ultimately submit to the State of Rhode Island. Revenue forecast information was provided by the Town.

The studies contained herein have been conducted in accordance with generally accepted actuarial principles and practices. The employee data and Plan asset data is the same as that used in the Actuarial Valuation Report issued for the Plan on August 6, 2012. The actuarial assumptions, methods and plan provisions used for these studies are also the same as those used in the Actuarial Valuation Report issued for the Plan on August 6, 2012 unless otherwise noted.

This report is only valid when presented in its entirety and is intended for use by the Town Administrator. It must not be reproduced without permission or used for any purpose other than as stated herein.

Neither the signing actuary nor the firm of McCloud & Nichols has a conflict of interest that would impair the objectivity of our work. The undersigned meets the Qualification Standards for Prescribed Statements of Actuarial Opinion promulgated by the American Academy of Actuaries.

Respectfully submitted,



Traci M. Christian, EA, MAAA
Enrollment Number 11-06694

Exhibit A - Forecast of Key Values
 Town of Tiverton Police Department Pension Plan
 Projection of Funded Status and Recommended Contributions

Year	Payment Against the ARC	Employer Normal Cost	Amortization	ARC	Contribution	Increase	Payroll	Contribution as a % of Payroll	Benefit Payments	Assets	Accrued Liability	Unfunded Liability	Funded Ratio	Revenue Forecast	Contribution as a % of Revenue
Beginning															
2012	100%	171,429	377,941	590,573	590,573		1,473,196	40.1%	712,311	6,694,416	13,228,161	6,533,765	50.6%	40,471,001	1.46%
2013	100%	177,429	402,028	622,917	622,917	5.5%	1,524,758	40.9%	771,504	7,048,048	13,665,559	6,617,511	51.6%	42,337,839	1.47%
2014	100%	183,639	405,524	833,781	833,781	1.7%	1,578,124	40.2%	805,648	7,398,718	14,080,362	6,681,644	52.5%	43,488,285	1.46%
2015	100%	190,067	409,858	844,919	844,919	1.8%	1,633,359	39.5%	865,427	7,751,542	14,437,941	6,746,399	53.3%	44,732,343	1.44%
2016	100%	196,718	413,230	856,341	856,341	1.8%	1,690,526	38.8%	909,870	8,079,947	14,891,728	6,811,781	54.3%	45,999,000	1.43%
2017	100%	203,904	417,841	868,054	868,054	1.8%	1,749,695	38.2%	956,452	8,398,233	15,276,081	6,877,788	55.0%		
2018	100%	210,731	421,830	880,067	880,067	1.8%	1,810,934	37.6%	976,090	8,693,525	15,637,678	6,944,453	55.6%		
2019	100%	218,106	425,979	892,392	892,392	1.8%	1,874,317	36.9%	1,000,320	9,012,913	16,024,669	7,011,755	56.2%		
2020	100%	225,740	430,107	705,036	705,036	1.8%	1,939,918	36.3%	1,062,318	9,343,442	16,423,151	7,079,709	56.8%		
2021	100%	233,641	434,276	718,010	718,010	1.8%	2,007,815	35.8%	1,167,123	9,647,081	16,795,403	7,148,322	57.4%		
2022	100%	241,818	438,485	731,325	731,325	1.9%	2,078,088	35.2%	1,187,965	9,977,732	17,095,231	7,217,600	57.8%		
2023	100%	250,282	442,734	744,992	744,992	1.9%	2,150,522	34.6%	1,235,933	10,106,967	17,394,516	7,287,549	58.1%		
2024	100%	259,042	447,025	759,021	759,021	1.9%	2,226,100	34.1%	1,292,856	10,328,303	17,688,479	7,358,176	58.4%		
2025	100%	268,108	451,357	773,425	773,425	1.9%	2,304,014	33.6%	1,342,256	10,551,734	17,981,221	7,429,467	58.7%		
2026	100%	277,482	455,732	788,215	788,215	1.9%	2,384,854	33.1%	1,396,473	10,723,949	18,225,438	7,501,490	58.8%		
2027	100%	287,204	460,148	803,404	803,404	1.9%	2,468,117	32.6%	1,381,321	10,909,119	18,483,309	7,574,190	59.0%		
2028	100%	297,256	464,608	819,004	819,004	1.9%	2,554,501	32.1%	1,420,988	11,097,556	18,745,181	7,647,235	59.2%		
2029	100%	307,650	469,110	835,028	835,028	2.0%	2,643,909	31.6%	1,480,334	11,274,740	18,996,451	7,721,712	59.4%		
2030	100%	318,428	473,657	851,491	851,491	2.0%	2,736,446	31.1%	1,560,525	11,419,527	19,216,073	7,795,546	59.4%		
2031	100%	329,573	478,247	868,407	868,407	2.0%	2,832,221	30.7%	1,577,785	11,508,438	19,380,544	7,872,106	59.4%		
2032	100%	341,108	482,882	885,790	885,790	2.0%	2,931,348	30.2%	1,583,376	11,603,025	19,551,423	7,948,398	59.3%		
2033	100%	353,047	487,562	903,655	903,655	2.0%	3,033,846	29.8%	1,608,249	11,716,289	19,741,719	8,025,430	59.3%		
2034	100%	365,404	492,287	922,018	922,018	2.0%	3,140,134	29.4%	1,639,580	11,830,107	19,934,315	8,103,208	59.3%		
2035	100%	378,183	497,058	940,935	940,935	2.0%	3,250,039	29.0%	1,632,959	11,938,319	20,120,059	8,181,740	59.3%		
2036	100%	391,430	501,875	960,903	960,903	2.1%	3,363,750	28.5%	1,656,628	12,080,693	20,341,726	8,261,033	59.4%		
2037	100%	405,130	506,739	980,259	980,259	2.1%	3,481,523	28.2%	1,655,529	12,228,089	20,568,183	8,341,094	59.4%		
2038	100%	419,309	511,650	1,000,781	1,000,781	2.1%	3,603,976	27.8%	1,651,794	12,407,844	20,828,775	8,421,932	59.6%		

The results presented here are ESTIMATES. They are based on the data, assumptions, methods and plan provisions outlined in the July 1, 2012 actuarial report unless otherwise noted. Those descriptions should be considered to be a part of this summary report. These results are for discussion purposes only and should not be relied upon for purposes of making cash contributions to the Plan nor for any other purposes.

Exhibit B- Forecast of Key Values - Revised Contribution Level
Town of Tiverton Police Department Pension Plan
Projection of Funded Status and Recommended Contributions
Current Forecast of Actuarial Valuation Results - 25 year Closed Amortization - increase contribution level to a minimum of \$700,000

Year	Payment Against the ARC	Employer Normal Cost	Amortization	ARC	Contribution	Increase	Payroll as a % of Payroll	Benefit Payments	Assets	Accrued Liability	Unfunded Liability	Funded Ratio	Revenue Forecast	Contribution as a % of Revenue
Beginning	119%	171,429	377,941	590,573	700,000		1,473,196	712,311	6,694,416	13,228,181	6,533,765	50.6%	40,471,001	1.73%
2012	117%	178,287	376,455	596,347	700,000	0.0%	1,532,124	771,804	7,157,475	13,865,559	6,508,084	52.4%	42,337,839	1.85%
2013	114%	185,418	385,357	613,583	700,000	0.0%	1,593,409	805,648	7,593,435	14,081,283	6,487,848	53.5%	43,488,285	1.51%
2014	111%	192,835	395,492	632,451	700,000	0.0%	1,657,145	865,427	8,027,093	14,500,844	6,473,751	55.4%	44,732,943	1.56%
2015	107%	200,548	407,059	653,178	700,000	0.0%	1,723,431	909,870	8,491,253	14,897,224	6,456,951	56.8%	45,959,000	1.52%
2016	104%	208,570	420,289	676,034	700,000	0.0%	1,792,368	966,452	8,919,586	15,285,760	6,467,174	57.7%		
2017	100%	216,913	435,489	701,343	701,343	0.2%	1,864,053	976,090	9,178,361	15,654,786	6,476,425	58.6%		
2018	100%	225,589	452,919	729,397	729,397	4.0%	1,938,625	1,000,320	9,555,387	16,049,383	6,493,996	59.5%		
2019	100%	234,513	471,036	758,573	758,573	4.0%	2,016,170	1,062,318	9,963,606	16,457,783	6,494,157	60.5%		
2020	100%	243,597	489,877	788,915	788,915	4.0%	2,096,877	1,167,123	10,387,294	16,942,149	6,474,635	61.8%		
2021	100%	253,757	509,472	820,472	820,472	4.0%	2,180,690	1,197,595	10,722,857	17,158,718	6,433,851	62.5%		
2022	100%	263,908	529,851	853,291	853,291	4.0%	2,267,918	1,235,553	11,104,634	17,473,341	6,388,707	63.6%		
2023	100%	274,454	551,045	887,423	887,423	4.0%	2,358,634	1,282,656	11,509,094	17,785,864	6,276,770	64.7%		
2024	100%	285,443	573,087	922,920	922,920	4.0%	2,452,980	1,342,256	11,949,485	18,104,639	6,155,154	66.0%		
2025	100%	295,860	595,011	959,836	959,836	4.0%	2,551,059	1,395,473	12,376,026	18,376,747	6,000,722	67.3%		
2026	100%	308,733	619,851	998,230	998,230	4.0%	2,653,143	1,381,321	12,856,723	18,666,787	5,810,064	68.9%		
2027	100%	321,064	644,645	1,038,159	1,038,159	4.0%	2,759,268	1,432,896	13,385,096	18,965,565	5,578,479	70.6%		
2028	100%	333,927	670,431	1,079,685	1,079,685	4.0%	2,869,639	1,480,334	13,954,033	19,258,979	5,304,946	72.5%		
2029	100%	347,285	697,248	1,122,873	1,122,873	4.0%	2,984,425	1,560,625	14,544,404	19,526,528	4,982,104	74.5%		
2030	100%	361,176	725,138	1,167,788	1,167,788	4.0%	3,103,802	1,577,786	15,139,094	19,745,304	4,606,220	76.7%		
2031	100%	375,623	754,144	1,214,499	1,214,499	4.0%	3,227,954	1,583,376	15,805,350	19,977,512	4,172,163	79.1%		
2032	100%	390,648	784,309	1,263,079	1,263,079	4.0%	3,357,072	1,608,249	16,562,488	20,236,868	3,674,370	81.8%		
2033	100%	406,274	815,662	1,313,602	1,313,602	4.0%	3,491,055	1,639,590	17,399,205	20,505,021	3,106,815	84.8%		
2034	100%	422,525	848,309	1,365,146	1,365,146	4.0%	3,631,000	1,632,669	18,316,664	20,779,653	2,462,969	88.1%		
2035	100%	439,426	882,242	1,420,792	1,420,792	4.0%	3,776,249	1,656,628	19,362,688	21,098,447	1,735,759	91.8%		
2036	100%	457,003	917,531	1,477,624	1,477,624	4.0%	3,927,289	1,655,529	20,516,723	21,434,254	917,531	95.7%		
2038	100%	475,283	-	510,929	510,929	-65.4%	4,084,391	1,651,794	21,815,489	21,815,489	-	100.0%		

The results presented here are ESTIMATES. They are based on the data, assumptions, methods and plan provisions outlined in the July 1, 2012 actuarial report unless otherwise noted. These descriptions should be considered to be a part of this summary report. These results are for discussion purposes only and should not be relied upon for purposes of making cash contributions to the Plan nor for any other purposes.

**Exhibit C - Forecast of Key Values - Revised Contribution Level - Anticipated return on investments is 0.5% lower
Town of Tiverton Police Department Pension Plan**

Projection of Funded Status and Recommended Contributions

Current Forecast of Actuarial Valuation Results - 25 year Closed Amortization - increase contribution level to a minimum of \$700,000

Year	Payment Against the ARC	Employer Normal Cost	Amortization	ARC	Contribution	Increase	Payroll as a %	Benefit Payments	Assets	Accrued Liability	Unfunded Liability	Funded Ratio	Revenue Forecast	Contribution as a % of Revenue	
2012	119%	171,429	377,941	587,826	700,000		1,473,186	47.5%	712,311	6,694,416	13,228,181	6,533,765	50.6%	40,471,001	1.73%
2013	122%	178,267	356,765	572,505	700,000	0.0%	1,532,124	45.7%	771,804	7,125,783	13,600,341	6,474,558	52.4%	42,337,839	1.65%
2014	119%	185,418	363,809	587,573	700,000	0.0%	1,593,409	43.9%	805,648	7,525,667	13,944,211	6,418,544	54.0%	43,489,295	1.61%
2015	116%	192,835	371,801	604,180	700,000	0.0%	1,657,145	42.2%	865,427	7,918,618	14,284,958	6,266,239	55.4%	44,732,943	1.56%
2016	113%	200,548	380,895	622,144	700,000	0.0%	1,723,431	40.6%	909,670	8,277,205	14,595,414	6,318,209	58.7%	45,958,000	1.52%
2017	109%	209,570	391,276	641,836	700,000	0.0%	1,792,388	39.1%	966,432	8,614,894	14,883,964	6,275,070	57.9%		
2018	106%	216,913	403,168	663,497	700,000	0.0%	1,864,063	37.6%	976,090	8,917,658	15,155,153	6,237,495	58.8%		
2019	102%	225,589	416,842	687,402	700,000	0.0%	1,938,625	36.1%	1,000,320	9,231,641	15,437,858	6,206,216	59.8%		
2020	100%	234,613	432,634	713,955	700,000	2.0%	2,016,170	35.4%	1,062,318	9,542,525	15,724,557	6,182,032	60.7%		
2021	100%	243,997	449,940	742,513	700,000	4.0%	2,096,817	35.4%	1,167,123	9,824,957	15,978,819	6,151,856	61.5%		
2022	100%	253,757	467,937	772,213	700,000	4.0%	2,180,690	35.4%	1,197,595	10,047,245	16,148,235	6,101,050	62.2%		
2023	100%	263,908	486,655	803,102	700,000	4.0%	2,267,918	35.4%	1,235,353	10,282,840	16,310,271	6,027,431	63.0%		
2024	100%	274,464	506,121	835,226	700,000	4.0%	2,359,634	35.4%	1,282,856	10,527,151	16,455,781	5,926,631	64.0%		
2025	100%	285,443	526,366	868,635	700,000	4.0%	2,452,080	35.4%	1,342,256	10,792,221	16,594,306	5,802,085	65.0%		
2026	100%	296,880	547,420	903,380	700,000	4.0%	2,551,059	35.4%	1,356,473	11,027,077	16,720,096	5,645,020	66.1%		
2027	100%	308,735	569,217	939,516	700,000	4.0%	2,653,143	35.4%	1,381,821	11,269,403	16,752,694	5,454,431	67.4%		
2028	100%	321,094	592,050	977,096	700,000	4.0%	2,759,268	35.4%	1,420,868	11,529,139	16,825,211	5,227,072	68.9%		
2029	100%	333,927	615,774	1,016,180	700,000	4.0%	2,868,639	35.4%	1,480,334	11,917,558	16,876,989	4,959,431	70.8%		
2030	100%	347,285	640,404	1,056,827	700,000	4.0%	2,984,425	35.4%	1,560,525	12,235,821	16,883,535	4,647,713	72.6%		
2031	100%	361,176	666,021	1,099,100	700,000	4.0%	3,103,802	35.4%	1,577,786	12,534,013	16,821,833	4,287,821	74.5%		
2032	100%	375,623	692,661	1,143,064	700,000	4.0%	3,227,854	35.4%	1,593,376	12,877,485	16,752,811	3,975,326	76.9%		
2033	100%	390,648	720,368	1,188,787	700,000	4.0%	3,357,072	35.4%	1,608,249	13,263,179	16,688,530	3,405,451	79.6%		
2034	100%	406,274	749,183	1,235,338	700,000	4.0%	3,491,255	35.4%	1,629,330	13,737,251	16,610,290	2,873,039	82.7%		
2035	100%	422,525	779,180	1,283,792	700,000	4.0%	3,631,009	35.4%	1,632,669	14,238,232	16,510,758	2,272,628	86.2%		
2036	100%	439,426	810,316	1,337,224	700,000	4.0%	3,776,249	35.4%	1,656,828	14,830,867	16,428,600	1,697,913	90.3%		
2037	100%	457,003	842,729	1,390,712	700,000	4.0%	3,927,289	35.4%	1,655,529	15,491,456	16,334,185	842,729	94.8%		
2038	100%	475,283		508,553	508,553	-63.4%	4,084,391	12.5%	1,651,794	16,253,098	16,253,098		100.0%		

The results presented here are ESTIMATES. They are based on the data, assumptions, methods and plan provisions outlined in the July 1, 2012 actuarial report unless otherwise noted. These descriptions should be considered to be a part of this summary report.

These results are for discussion purposes only and should not be relied upon for purposes of making cash contributions to the Plan nor for any other purposes.

Exhibit D - Actuarial Assumptions

Economic Assumptions

Interest Rate 7.5% (net of administration expenses paid by the Trust)

Salary Increases 3.5%

Demographic Assumptions

Mortality RP 2000 Mortality Table for males and females.

Disability Sample disability rates are as follows:

Age	Annual Rates of Disability	
	Males	Females
25	.03%	.05%
30	.04	.06
40	.07	.10
50	.18	.26
55	.36	.49
60	.90	1.21

Turnover None Assumed

Retirement The rate is 50% at 20 years of Service. If a Member has at least 20 Years of service, the rate is 10% through age 55 and 100% for age 55 and older.

Marital Status 80% of participants are assumed to be married with males 3 years older than their female spouses.

COLA adjustments 1.3% increase each year.

Asset Value Assets are valued at market plus receivables.

Exhibit E – Plan Provisions

There are no changes to the Plan provisions anticipated in the Funding Improvement Plan at this time

Effective Date

July 1, 1978

Eligibility

All employees are eligible after age 21 and 12 months of service.

Monthly Compensation

Compensation includes regular pay as well as Bonus and Longevity pay and State Education Incentive Compensation.

Credited Service

Service measured from the date of employment.

Normal Retirement Benefit

For retirements on or after June 1, 2000, a monthly benefit equal to 2.5% of Average Monthly Compensation multiplied by Credited Service for the first 20 years of Service, Plus 2% of Average Monthly Compensation multiplied by Credited Service in excess of 20 years subject to a maximum benefit of 75% of Average Compensation.

Normal Form

The Normal Form of payment is a Life Annuity.

Normal Retirement Date

A Member may retire on the earlier of his 55th birthday or upon completion of 20 years of Credited Service. Members hired after July 1, 2012 will need 25 years of Credited Service.

Disability Retirement

If the disability was duty-related, the benefit is 66 2/3% of Final Compensation. The non-duty-related Disability Benefit is 50% of Final Compensation.

Pre-Retirement Death Benefit

The Beneficiary of a Participant who dies shall receive a benefit of \$400 for each year of service, subject to a minimum of \$2000 and a maximum of \$8,000. After retirement, the benefit is reduced by 25% per year but not less than \$2,000.

Vesting 100% after 10 years.

Pre-Retirement Death Benefit

50% of Accrued Benefit at time of death payable to spouse until death or remarriage with additional benefits payable to surviving children under age 18 if no spouse survives.

Employee Contributions

10% of compensation

Post-Retirement COLA

Base Benefit increased 1% of the compensation each year for the position from which they retired. The increases are cumulative, not compounded.