



**Town of Windsor
Retirement Plan**

**Actuarial Valuation as of July 1, 2012
For Fiscal Year 2013-14**

Prepared by
Milliman, Inc.

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2012 for fiscal year 2013-14. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

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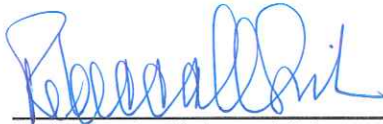
In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, 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. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

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.



Rebecca A. Sielman, FSA
Consulting Actuary

Section I - Executive Summary

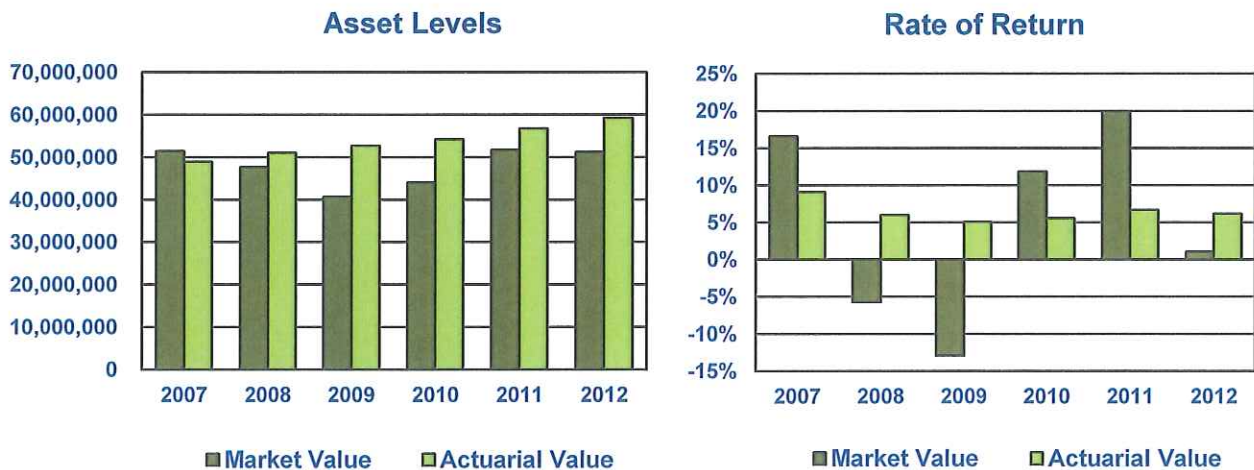
A. Highlights

Assets

There are two different measures of the plan's assets that are used throughout this report. The **Market Value** is a snapshot of the plan's investments as of the valuation date. The **Actuarial Value** is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses over ten years.

	Market	Actuarial
Value as of July 1, 2011	\$51,692,610	\$56,804,114
Contributions	1,736,934	1,736,934
Investment Income	526,391	3,468,636
Benefit Payments and Administrative Expenses	(2,757,820)	(2,757,820)
Value as of July 1, 2012	51,198,115	59,251,864

For fiscal year 2011-12, the plan's assets earned 1.03% on a Market Value basis and 6.16% on an Actuarial Value basis. The actuarial assumption for this period was 7.75%; the result is an asset loss of \$3,434,300 on a Market Value basis and a loss of \$894,900 on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.



Please note that the Actuarial Value currently exceeds the Market Value by \$8,053,700. This figure represents investment losses that will be gradually recognized over the next ten years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

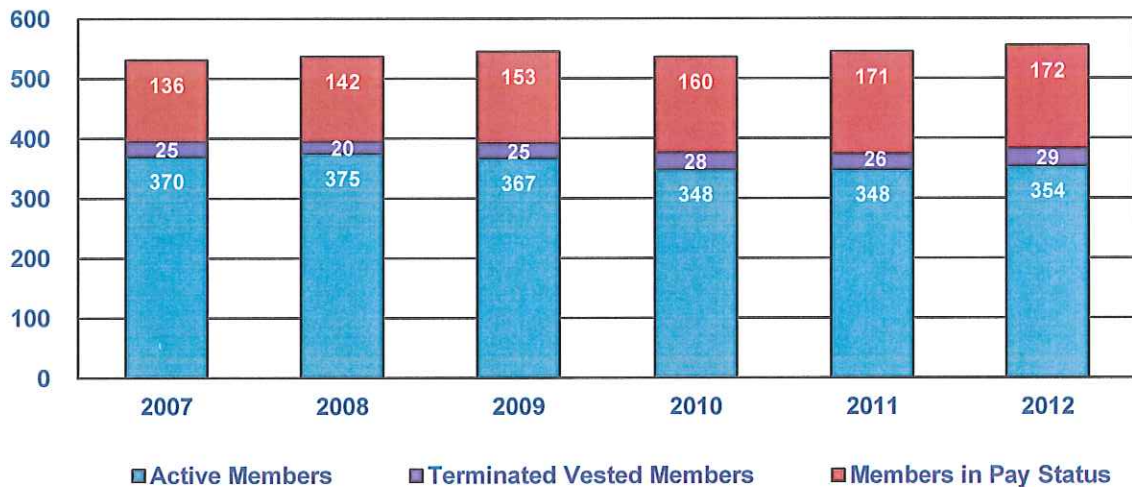
Section I - Executive Summary

A. Highlights

Membership

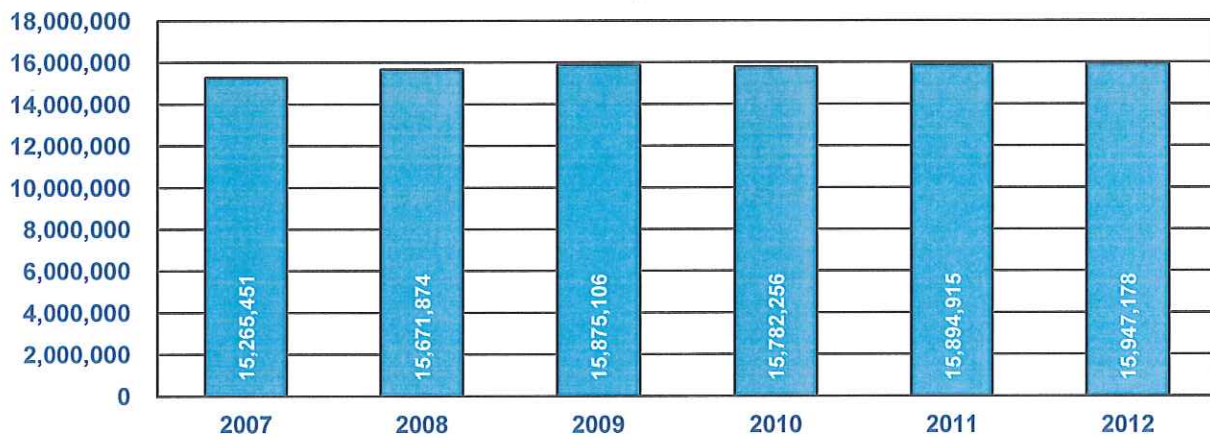
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits.

Number of Members



From July 1, 2011 to July 1, 2012, the overall membership increased from 545 to 555. During this period, there were 23 new members and 1 member who was rehired, which was somewhat offset by the deaths of 1 beneficiary and 8 retirees (3 that had benefits continue to beneficiaries). During this period the plan also saw the retirement of 7 members, and the termination of 8 members who took lump sum distributions plus 4 members who retain deferred vested benefits.

Payroll



Growth in overall payroll levels has been very modest.

Section I - Executive Summary

A. Highlights

Plan Changes

The Plan was amended to increase the employee contribution rate for the Teamsters and Non-Affiliated groups. The Teamsters employee contribution rate increased from 2.25% to 3.25% effective January 1, 2012. The Non-Affiliated members employee contribution rate increased from 2.25% to 3.25% effective July 1, 2011 and increased again on January 1, 2013 to 3.75%. All changes were reflected in this valuation. The change decreased the Annual Required Contribution by \$85,000.

Changes in Actuarial Methods or Assumptions

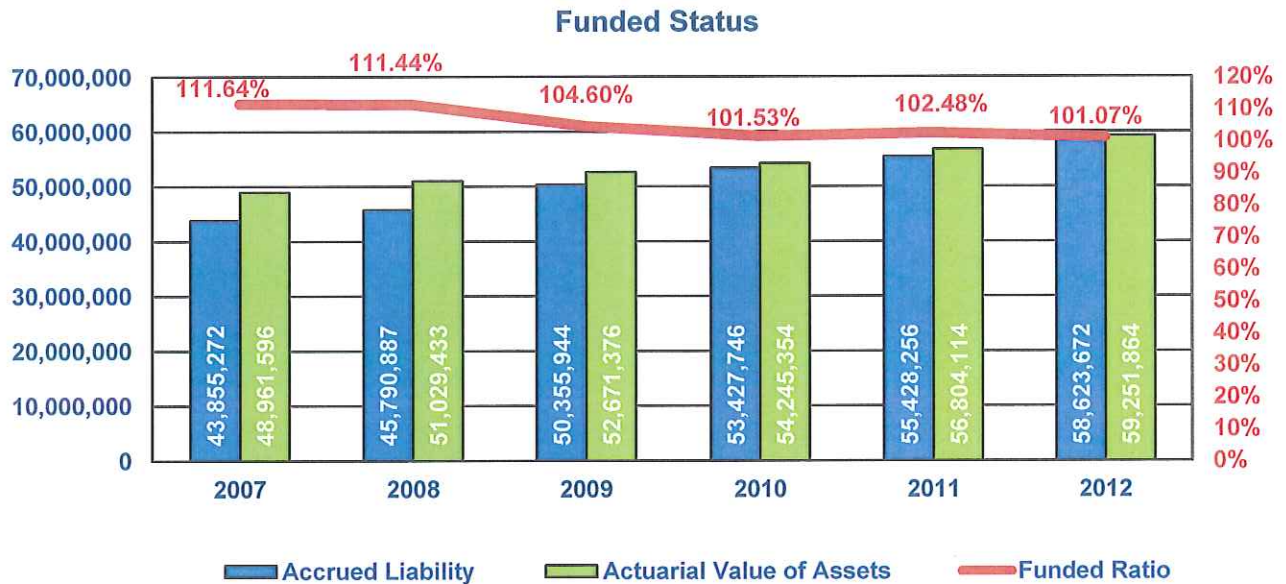
None.

Section I - Executive Summary

A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years. Since investment gains and losses are recognized gradually over a ten year period, the large market losses suffered in 2007-08 and 2008-09 are manifested by a gradual decline in the funded ratio.



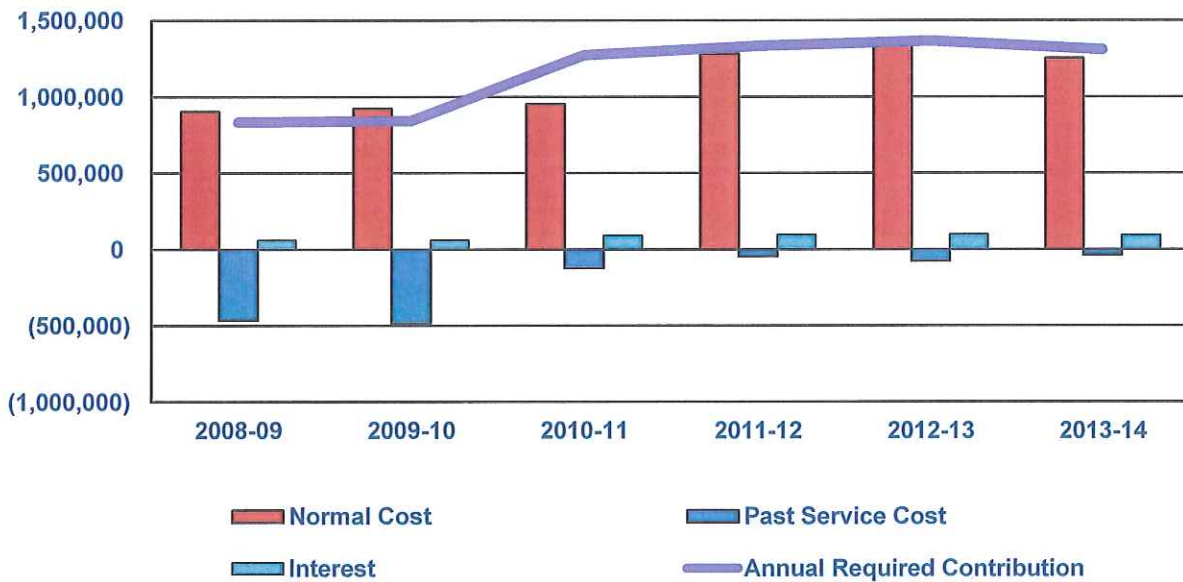
Section I - Executive Summary

A. Highlights

Annual Required Contribution

The Annual Required Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Interest** to the end of the year. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

Contribution levels for the current year and the past few fiscal years are shown below.



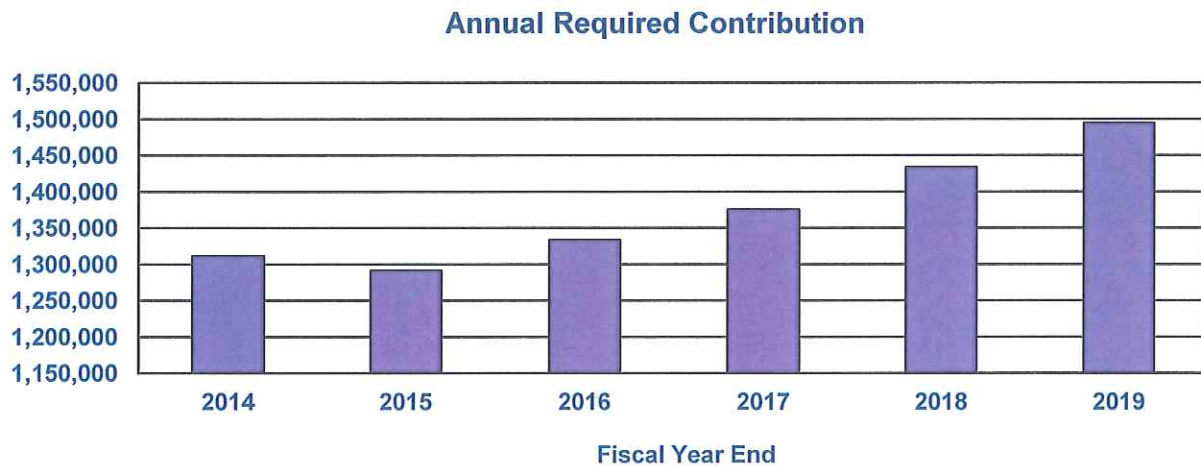
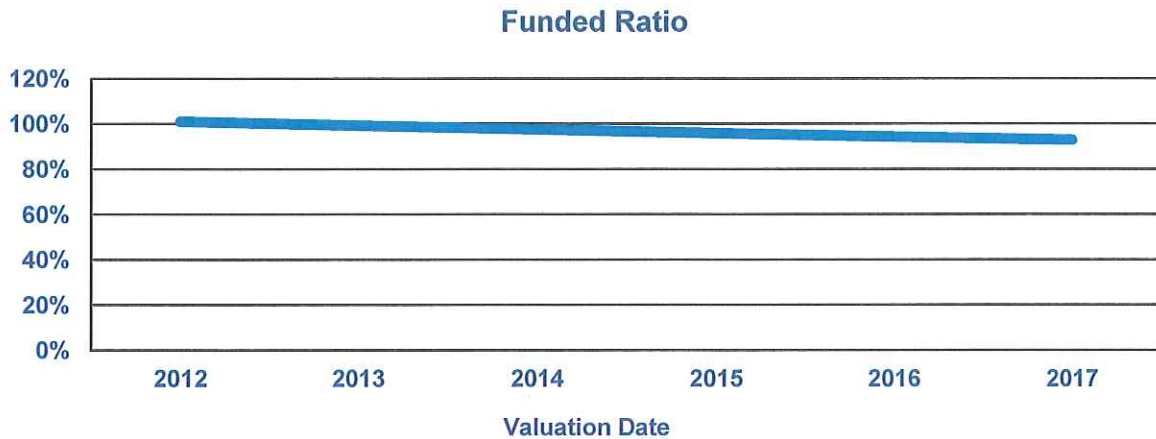
The significant rise in the Annual Required Contribution during this period is due to the large market losses suffered in 2008-09. The slight reduction in the contribution from FY 2012-13 to FY 2013-14 is the result of the increase to employee contribution rates described on page 5.

Section I - Executive Summary

A. Highlights

Long Range Forecast

As of July 1, 2012, the Actuarial Value of Assets is 16% higher than the Market Value of Assets, as the Actuarial Value has not fully recognized the large market loss from 2008-09. As this loss is fully recognized over the coming years, the funded ratio is expected to continue to gradually fall for quite some time and the Annual Required Contribution is expected to rise in response. We expect the valuation results for the next several years to follow the patterns illustrated below:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary
B. Summary of Principal Results

Membership	July 1, 2011	July 1, 2012
Active Members	348	354
Terminated Vested Members	26	29
Members in Pay Status	171	172
Total Payroll	\$15,894,915	\$16,117,394
Covered Payroll	15,894,915	15,947,178
Assets and Liabilities	July 1, 2011	July 1, 2012
Market Value of Assets	\$51,692,610	\$51,198,115
Actuarial Value of Assets	56,804,114	59,251,864
Accrued Liability for Active Members	\$25,458,829	\$27,357,494
Accrued Liability for Terminated Vested Members	1,225,826	1,367,965
Accrued Liability for Members in Pay Status	28,743,601	29,898,213
Total Accrued Liability	55,428,256	58,623,672
Unfunded Accrued Liability	(1,375,858)	(628,192)
Funded Ratio	102.5%	101.1%
Annual Required Contribution for Fiscal Year	2012-13	2013-14
Normal Cost	\$1,345,312	\$1,252,918
Past Service Cost	(76,114)	(35,507)
Interest	98,363	94,349
Annual Required Contribution	1,367,561	1,311,760

Section II - Plan Assets

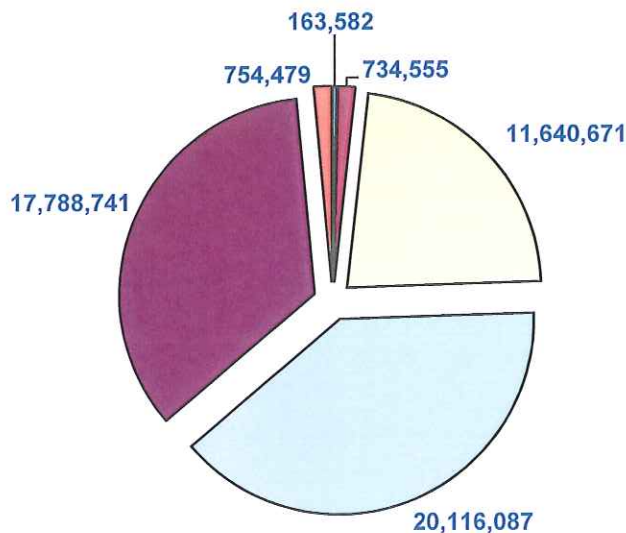
A. Summary of Fund Transactions

Market Value as of July 1, 2011	\$51,692,610
Employer Contributions	1,334,389
Employee Contributions	402,545
Benefit Payments	(2,757,820)
Interest and Dividends	1,006,773
Transfer In of Assets	0
Unrealized Gains/(Losses)	(325,846)
Realized Gains/(Losses)	92,300
Investment Expenses	(246,836)
Administrative Expenses	0
Market Value as of July 1, 2012	51,198,115
Approximate Rate of Return	1.03%

Note: The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

Asset Allocation

- **Accrued Income**
- **Cash Equivalents**
- **Common Equities**
- **Equity Funds**
- **Fixed Income**
- **Accruals**



SECTION II - PLAN ASSETS
B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a ten year period. The Actuarial Value of Assets as of July 1, 2012 is determined below.

1. Expected Actuarial Value of Assets:	
a. Actuarial Value of Assets as of July 1, 2011	\$56,804,114
b. Employer and Employee Contributions	1,736,934
c. Benefit Payments and Administrative Expenses	(2,757,820)
d. Expected Investment Return Based on 7.75% Interest	<u>4,363,497</u>
e. Expected Actuarial Value of Assets as of July 1, 2012	60,146,725
2. Actual Market Value of Assets as of July 1, 2012	51,198,115
3. Actuarial Value as of July 1, 2012: 90% of (1e) + 10% of (2)	59,251,864
4. Approximate Rate of Return on Actuarial Value	6.16%
5. Actuarial Value (Gain)/Loss	(894,861)

SECTION III - DEVELOPMENT OF CONTRIBUTION

A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 30 years starting on July 1, 2009.

	July 1, 2011	July 1, 2012
1. Accrued Liability		
Active Members	\$25,458,829	\$27,357,494
Terminated Vested Members	1,225,826	1,367,965
Retired Members	27,523,803	28,420,740
Disabled Members	107,482	101,545
Beneficiaries of Deceased Members	<u>1,112,316</u>	<u>1,375,928</u>
Total	55,428,256	58,623,672
2. Actuarial Value of Assets (see Section II B)	56,804,114	59,251,864
3. Unfunded Accrued Liability: (1) - (2)	(1,375,858)	(628,192)
4. Funded Ratio: (2) / (1)	102.5%	101.1%
5. Amortization Period	28	27
6. Amortization Growth Rate	4.00%	4.00%
7. Past Service Cost: (3) amortized over (5)	(76,114)	(35,507)

SECTION III - DEVELOPMENT OF CONTRIBUTION
B. Annual Required Contribution

	Fiscal Year 2012-13	Fiscal Year 2013-14
1. Total Normal Cost	\$1,720,802	\$1,763,617
2. Expected Employee Contributions	375,490	510,699
3. Net Normal Cost: (1) - (2)	1,345,312	1,252,918
4. Past Service Cost (see Section III A)	(76,114)	(35,507)
5. Interest on (3) + (4) to start of next fiscal year	98,363	94,349
6. Annual Required Contribution: (3) + (4) + (5)	1,367,561	1,311,760
7. Allocation of Annual Required Contribution		
Town	681,864	609,377
Board of Education	685,697	702,383
Total	1,367,561	1,311,760

Milliman Actuarial Valuation

**SECTION III - DEVELOPMENT OF CONTRIBUTION
C. Long Range Forecast**

This forecast is based on the results of the July 1, 2012 actuarial valuation and assumes that the Town will pay the Annual Required Contribution each year, the assets will return the assumed rate of return on a market value basis each year, and there are no changes beyond 2013 in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Values as of the Valuation Date				Cash Flows Projected to the Following Fiscal Year					
Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town	Employee	Benefit	Net
						Contributions	Contributions	Payments	Cash Flows
7/1/2012	\$58,623,672	\$59,251,864	(\$628,192)	101.1%	2014	\$1,311,760	\$510,699	(\$3,134,866)	(\$1,312,407)
7/1/2013	68,806,000	61,379,000	7,427,000	89.2%	2015	1,350,000	482,000	(3,434,900)	(1,602,900)
7/1/2014	71,619,000	63,295,000	8,324,000	88.4%	2016	1,391,000	455,000	(3,753,600)	(1,907,600)
7/1/2015	74,252,000	65,062,000	9,190,000	87.6%	2017	1,437,000	431,000	(4,064,300)	(2,196,300)
7/1/2016	76,706,000	66,679,000	10,027,000	86.9%	2018	1,498,000	411,000	(4,377,900)	(2,468,900)
7/1/2017	78,986,000	68,144,000	10,842,000	86.3%	2019	1,559,000	393,000	(4,671,200)	(2,719,200)
7/1/2018	81,091,000	69,481,000	11,610,000	85.7%	2020	1,628,000	375,000	(4,988,100)	(2,985,100)
7/1/2019	82,969,000	70,657,000	12,312,000	85.2%	2021	1,704,000	358,000	(5,268,600)	(3,206,600)
7/1/2020	84,671,000	71,705,000	12,966,000	84.7%	2022	1,781,000	342,000	(5,539,600)	(3,416,600)
7/1/2021	86,193,000	72,634,000	13,559,000	84.3%	2023	1,861,000	328,000	(5,806,400)	(3,617,400)
7/1/2022	87,526,000	73,442,000	14,084,000	83.9%	2024	1,943,000	315,000	(6,056,900)	(3,798,900)
7/1/2023	88,651,000	74,139,000	14,512,000	83.6%	2025	2,032,000	307,000	(6,300,900)	(3,961,900)
7/1/2024	89,596,000	74,731,000	14,865,000	83.4%	2026	2,131,000	298,000	(6,545,100)	(4,116,100)
7/1/2025	90,351,000	75,218,000	15,133,000	83.3%	2027	2,235,000	292,000	(6,787,600)	(4,260,600)
7/1/2026	90,911,000	75,603,000	15,308,000	83.2%	2028	2,350,000	287,000	(7,045,600)	(4,408,600)
7/1/2027	91,251,000	75,872,000	15,379,000	83.1%	2029	2,472,000	285,000	(7,244,800)	(4,487,800)
7/1/2028	91,424,000	76,088,000	15,336,000	83.2%	2030	2,608,000	286,000	(7,432,900)	(4,538,900)
7/1/2029	91,437,000	76,269,000	15,168,000	83.4%	2031	2,756,000	287,000	(7,590,300)	(4,547,300)
7/1/2030	91,315,000	76,461,000	14,854,000	83.7%	2032	2,914,000	290,000	(7,739,100)	(4,535,100)
7/1/2031	91,058,000	76,683,000	14,375,000	84.2%	2033	3,085,000	294,000	(7,849,400)	(4,470,400)

For purposes of this forecast the figures for 2013 and beyond assume that a number of changes to the actuarial assumptions and funding method will be made effective with the July 1, 2013 valuation, including a reduction in the interest rate assumption and a switch to the Entry Age Normal Cost Method.

This work product was prepared solely for the Town for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

SECTION IV - ACCOUNTING INFORMATION

A. Notes to Required Supplementary Information

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level percent
Amortization Period	Closed 30 years from July 1, 2009
Asset Valuation Method	90% of Expected Actuarial Value plus 10% of Actual Market Value
Actuarial Assumptions	
Investment Rate of Return	7.75%
Projected Salary Increases	4.00%
Payroll Growth Rate	4.00%
Inflation	2.50%

Milliman Actuarial Valuation

SECTION IV - ACCOUNTING INFORMATION
B. Schedule of Funding Progress

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2003	2004-05	\$37,973,828	\$32,146,951	(\$5,826,877)	118.1%	\$13,131,981	0.0%
07/01/2004	2005-06	40,520,462	34,163,256	(6,357,206)	118.6%	13,274,916	0.0%
07/01/2005	2006-07	42,994,540	37,665,616	(5,328,924)	114.1%	14,101,531	0.0%
07/01/2006	2007-08	45,594,279	41,130,295	(4,463,984)	110.9%	14,776,977	0.0%
07/01/2007	2008-09	48,961,596	43,855,272	(5,106,324)	111.6%	15,265,451	0.0%
07/01/2008	2009-10	51,029,433	45,790,887	(5,238,546)	111.4%	15,671,874	0.0%
07/01/2009	2010-11	52,671,376	50,355,944	(2,315,432)	104.6%	15,875,106	0.0%
07/01/2010	2011-12	54,245,354	53,427,746	(817,608)	101.5%	15,782,256	0.0%
07/01/2011	2012-13	56,804,114	55,428,256	(1,375,858)	102.5%	15,894,915	0.0%
07/01/2012	2013-14	59,251,864	58,623,672	(628,192)	101.1%	15,947,178	0.0%

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SECTION IV - ACCOUNTING INFORMATION
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	Annual Required Contribution	Actual Contribution	Percent Funded
2005	\$763,468	\$763,468	100.0%
2006	789,843	789,843	100.0%
2007	737,493	737,493	100.0%
2008	827,855	827,855	100.0%
2009	834,453	834,453	100.0%
2010	843,833	843,833	100.0%
2011	1,273,290	1,273,290	100.0%
2012	1,334,389	1,334,389	100.0%
2013	1,367,561	TBD	TBD
2014	1,311,760	TBD	TBD

SECTION IV - ACCOUNTING INFORMATION
D. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	As of July 1, 2011	As of July 1, 2012
1. Value of Vested Benefits		
Active Members	\$20,711,547	\$22,645,583
Terminated Vested Members	1,225,826	1,367,965
Retired Members	27,523,803	28,383,551
Disabled Members	107,482	101,545
Beneficiaries of Deceased Members	<u>1,112,316</u>	<u>1,358,453</u>
Total Value of Vested Benefits	50,680,974	53,857,097
2. Value of Non-Vested Benefits	521,962	367,764
3. Total Value of Accrued Benefits: (1) + (2)	51,202,936	54,224,861
4. Market Value of Assets	51,692,610	51,198,115
5. Vested Funded Ratio: (4) / (1)	102.0%	95.1%
6. Accrued Funded Ratio: (4) / (3)	101.0%	94.4%

SECTION IV - ACCOUNTING INFORMATION
E. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2011-2012 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$3,861,362
Benefits Accumulated/(Forfeited)	1,918,383
Benefit Payments	(2,757,820)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	3,021,925

Value of Accrued Plan Benefits:

July 1, 2012	\$54,224,861
July 1, 2011	51,202,936
Net Increase/(Decrease)	3,021,925

SECTION V - MEMBERSHIP DATA
A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Retirees	Disabled	Bene- ficiaries	Total
Count as of July 1, 2011	348	26	157	2	12	545
Terminated due refund	-	-	-	-	-	0
Terminated, benefits due	(4)	4	-	-	-	0
Retired	(6)	(1)	7	-	-	0
Died, with beneficiary	-	-	(3)	-	-	(3)
Died, no beneficiary	-	-	(5)	-	(1)	(6)
Paid refund	(8)	-	-	-	-	(8)
New member	24	-	-	-	-	24
New beneficiary	-	-	-	-	3	3
Correction	-	-	-	-	-	0
Count as of July 1, 2012	354	29	156	2	14	555

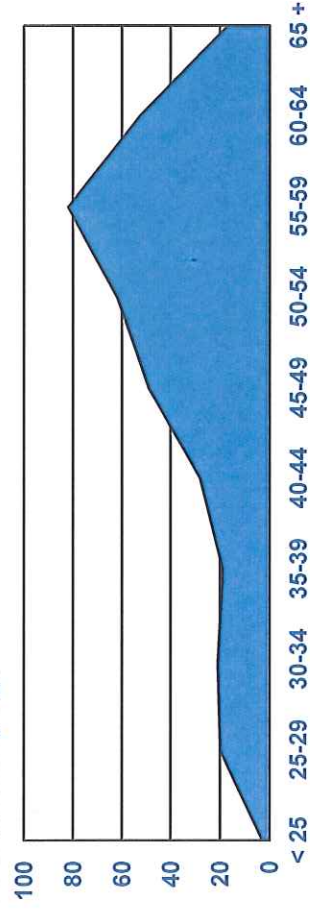
SECTION V - MEMBERSHIP DATA
B. Statistics of Membership

	As of July 1, 2011	As of July 1, 2012
Number of Active Members		
Number	348	354
Average Age	50.0	50.3
Average Service	11.0	11.3
Total Payroll	\$15,894,915	\$16,117,394
Average Payroll	45,675	45,529
Terminated Vested Members		
Number	26	29
Total Annual Benefit	\$206,197	\$216,504
Average Annual Benefit	7,931	7,466
Average Age	53.7	52.7
Retired Members		
Number	157	156
Total Annual Benefit	\$2,575,453	\$2,664,024
Average Annual Benefit	16,404	17,077
Average Age	72.7	72.9
Disabled Members		
Number	2	2
Total Annual Benefit	\$18,680	\$19,353
Average Annual Benefit	9,340	9,677
Average Age	63.5	64.5
Beneficiaries of Deceased Members		
Number	12	14
Total Annual Benefit	\$134,334	\$188,299
Average Annual Benefit	11,195	13,450
Average Age	78.4	80.1

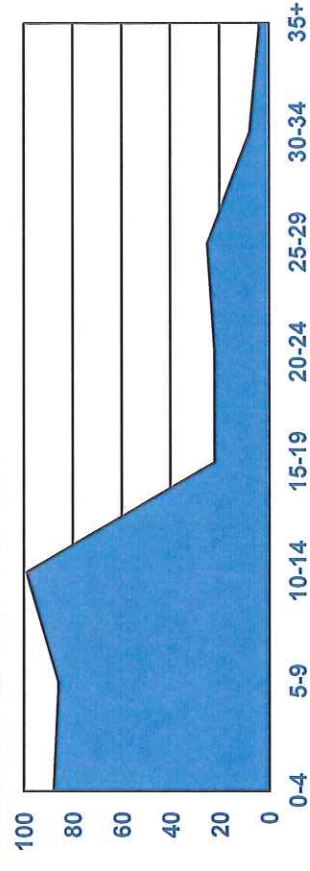
SECTION V - MEMBERSHIP DATA
C. Distribution of Active Members as of July 1, 2012 - Count

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	3	0	0	0	0	0	0	0	0	0	3
25-29	17	3	0	0	0	0	0	0	0	0	20
30-34	16	5	0	0	0	0	0	0	0	0	21
35-39	7	8	4	0	0	0	0	0	0	0	19
40-44	6	12	6	3	1	0	0	0	0	0	28
45-49	12	11	14	2	3	6	0	1	0	0	49
50-54	9	22	22	2	3	3	1	0	0	0	62
55-59	15	16	28	7	6	7	2	1	0	0	82
60-64	2	6	20	6	7	7	4	1	0	0	53
65 +	1	3	5	2	2	2	1	1	0	0	17
Total	88	86	99	22	22	25	8	4	0	0	354

Distribution By Age



Distribution by Years of Service

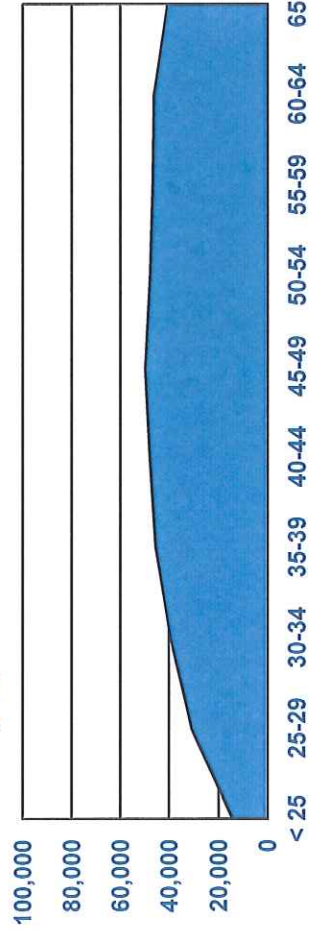


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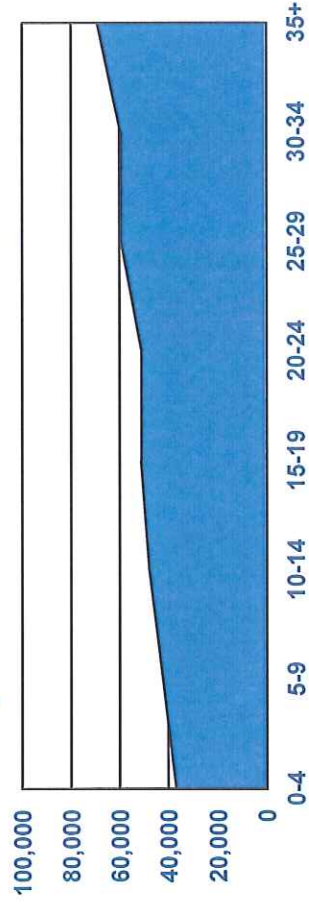
SECTION V - MEMBERSHIP DATA
D. Distribution of Active Members as of July 1, 2012 - Average Pay

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	14,364	0	0	0	0	0	0	0	0	0	14,364
25-29	30,639	32,589	0	0	0	0	0	0	0	0	30,931
30-34	35,517	51,858	0	0	0	0	0	0	0	0	39,408
35-39	41,297	49,755	44,602	0	0	0	0	0	0	0	45,554
40-44	45,113	43,686	53,498	54,234	63,544	0	0	0	0	0	47,934
45-49	40,433	47,850	52,134	60,383	53,574	63,732	0	39,757	0	0	49,899
50-54	37,371	36,145	56,557	62,242	56,506	68,596	100,400	0	0	0	47,999
55-59	39,669	43,866	43,417	54,519	54,837	60,200	73,561	54,532	0	0	46,906
60-64	61,111	43,915	42,589	43,552	44,001	53,248	53,141	66,642	0	0	46,392
65 +	9,303	25,642	39,869	38,644	46,179	52,853	17,671	115,800	0	0	40,847
Total	36,819	42,362	47,882	51,281	51,053	59,521	59,719	69,183	45,529	45,529	

Distribution By Age



Distribution by Years of Service



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SECTION V - MEMBERSHIP DATA
E. Distribution of Inactive Members as of July 1, 2012

	Age	Number	Annual Benefits
Terminated Vested Members /	< 30	2	\$3,232
Members Due Refunds	30 - 39	1	6,990
	40 - 49	4	19,946
	50 - 59	15	112,811
	60 - 64	4	53,969
	65 +	3	19,557
	Total	29	216,505
 Retired Members	< 50	0	\$0
	50 - 59	3	141,680
	60 - 69	61	1,247,545
	70 - 79	54	865,864
	80 - 89	34	359,323
	90 +	4	49,613
	Total	156	2,664,025
 Disabled Retirees	< 50	0	\$0
	50 - 59	1	5,453
	60 - 69	0	0
	70 - 79	1	13,900
	80 - 89	0	0
	90 +	0	0
	Total	2	19,353
 Beneficiaries	< 50	0	\$0
	50 - 59	0	0
	60 - 69	2	30,568
	70 - 79	5	67,135
	80 - 89	6	75,085
	90 +	1	15,510
	Total	14	188,298

APPENDIX A - ACTUARIAL FUNDING METHOD

The actuarial funding method used in the valuation of this Plan is known as the **Projected Unit Credit Cost Method**. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Accrued Liability** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the projected benefit payable at death, disability, retirement or termination.

The **Normal Cost** is similarly determined as the present value of the portion of the projected benefit attributable to the current year.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent. Beginning on July 1, 2009, the amortization period is 30 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

The **Actuarial Value of Assets** is determined to be 90% of the expected Actuarial Value of Assets (based on actual cash flow and assumed investment return) plus 10% of the actual market value.

APPENDIX B - ACTUARIAL ASSUMPTIONS

Interest Rate	7.75%										
Salary Scale	4.00%										
Amortization Growth Rate	4.00%										
Cost of Living	2.25%										
Expenses	None.										
Mortality	RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.										
Turnover	According to the Crocker-Sarason T9 Table:										
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">17.95%</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">15.85%</td> </tr> <tr> <td style="text-align: center;">40</td> <td style="text-align: center;">11.27%</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">5.10%</td> </tr> </tbody> </table>	Age	Rate	20	17.95%	30	15.85%	40	11.27%	50	5.10%
Age	Rate										
20	17.95%										
30	15.85%										
40	11.27%										
50	5.10%										
Rate of Retirement	<p>15% at age 55 with 10 years of service.</p> <p>40% at the earlier of age 55 with 30 years of service or age 65.</p> <p>At all other ages:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">56-59</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">60-61</td> <td style="text-align: center;">20%</td> </tr> <tr> <td style="text-align: center;">62-69</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: center;">70</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	Age	Rate	56-59	10%	60-61	20%	62-69	30%	70	100%
Age	Rate										
56-59	10%										
60-61	20%										
62-69	30%										
70	100%										
Disability Costs	0.40% of adjusted payroll.										
Form of Annuity	3 Year Certain and Life as an approximation to Modified Cash Refund.										

APPENDIX C - SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility	All employees of the Town who were covered under the Connecticut Municipal Employees' Retirement Fund A on June 30, 1971 are included in the Plan. New employees shall be included on date of hire. Non-affiliated employees hired on or after July 1, 2011 and Teamsters hired on or after November 1, 2011 are not covered by this Plan.
Employee Contributions	<p>2.25% of Earnings except as noted below.</p> <p>3.25% for Non-affiliated employees effective July 1, 2011. Increased to 3.75% effective January 1, 2013.</p> <p>3.25% for Teamsters effective January 1, 2012.</p> <p>Employee Contributions will be credited at the rate of 4% per year through December 31, 1978 and 6% per year thereafter.</p> <p>A refund of Employee Contributions with interest to the date of termination of employment or death is paid, unless the employee is eligible for a deferred retirement benefit.</p>
Credited Service	Years and months of continuous service. Food Service employees will not get service prior to 2/19/1986 and members of the Windsor Paraprofessional Employees Association will not get service for years prior to 9/1/1990.
Final Average Earnings	Highest average earnings including overtime, longevity pay and any other form of additional compensation received in any 36 consecutive months out of the last 120 months of employment months prior to the earlier of age 65 or termination of employment.
Normal Retirement Date	The earlier of age 65, age 55 with 30 years of Credited Service, or any age with 35 years of Credited Service for employees who were participants on or before December 31, 1979.
Normal Retirement Benefit	<p>1.75% of Final Average Earnings multiplied by Credited Service.</p> <p>For employees who were members as of October 9, 1998, retirement benefits will not be less than the amount determined under the pre-October 9, 1998 formula.</p>

APPENDIX C - SUMMARY OF PLAN PROVISIONS

Early Retirement Date	Age 55 and 10 years of Credited Service.
Early Retirement Benefit	Benefit is based on Credited Service and Final Average Earnings to actual retirement date reduced 6.7% for the first 5 years, 3.3% for each of the next 5 years by which Early Retirement Date precedes Normal Retirement Date.
Deferred Retirement Date	Members may continue to work beyond Normal Retirement.
Deferred Retirement Benefit	Benefit based on Credited Service and Final Average Earnings to actual date of retirement.
Preretirement Death Benefit	Accumulated Employee Contributions in lieu of all benefits.
Disability Retirement Service Connected	Greater of Normal Retirement Benefit calculated using Credited Service and Final Average Earnings through Date of Disability, or 50% of Monthly Earnings averaged over the 12 months preceding disability.
Disability Retirement Non-Service Connected	If the Member has 10 years of Service, Normal Retirement Benefit calculated using Credited Service and Final Average Earnings through Date of Disability.
Disability Minimum Benefit	\$300 per month.
Disability Maximum Benefit	75% of Final Average Earnings (including non-plan disability earnings from Employer sources).
Vesting	A member is 100% vested after 5 years of Credited Service.
Termination Benefit	Normal Retirement Benefit calculated using Credited Service and Final Average Earnings through Date of Termination. All benefits are forfeited upon withdrawal of Employee Contributions.
Normal Form of Benefit	Modified Cash Refund.
Cost of Living Adjustment	Benefits will increase annually based on increases in the Cost of Living Adjustment that applies to primary insurance amounts under the federal Social Security Act.