Milliman

TOWN OF WINDSOR RETIREMENT PLAN

Actuarial Valuation as of July 1, 2013
For Fiscal Year 2014-15

Prepared by

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2013 for fiscal year 2014-15. 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.

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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.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

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

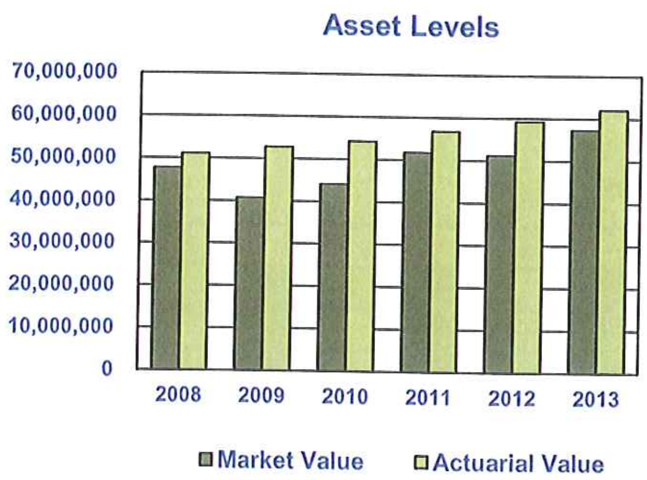
Section I - Executive Summary
A. Highlights

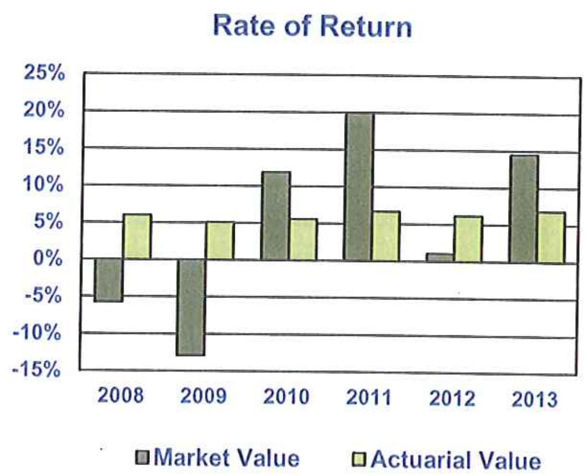
Assets

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, 2012	$51,198,115	$59,251,864
Contributions	1,761,661	1,761,661
Investment Income	7,306,952	4,015,926
Benefit Payments and Administrative Expenses	(2,995,057)	(2,995,057)
Value as of July 1, 2013	57,271,671	62,034,394

For fiscal year 2012-13, the plan's assets earned 14.45% on a Market Value basis and 6.85% on an Actuarial Value basis. The actuarial assumption for this period was 7.75%; the result is an asset gain of $3,388,000 on a Market Value basis and a loss of $529,200 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.



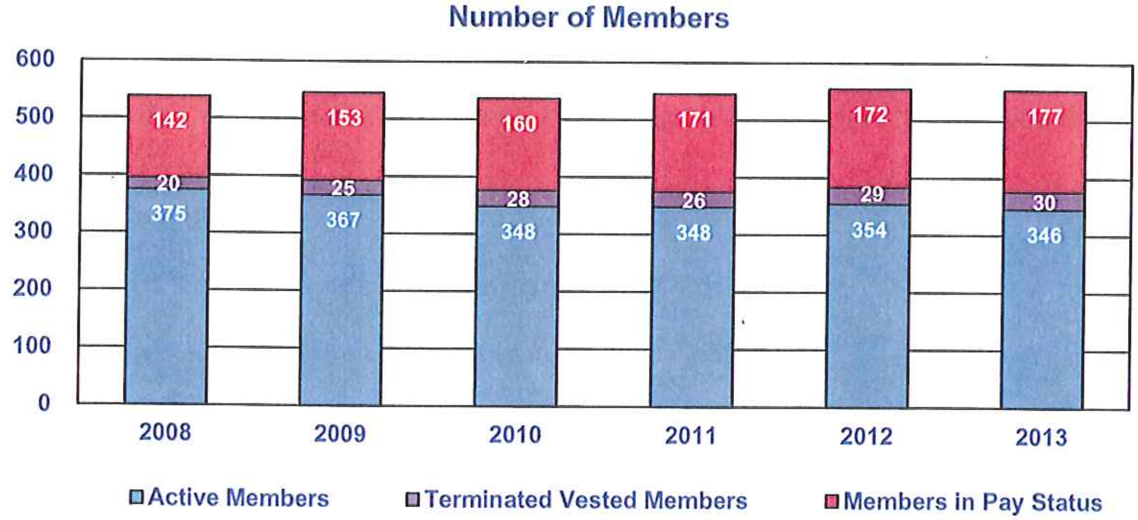


Please note that the Actuarial Value currently exceeds the Market Value by $4,762,700. This figure represents investment losses that will be gradually recognized over the next ten years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

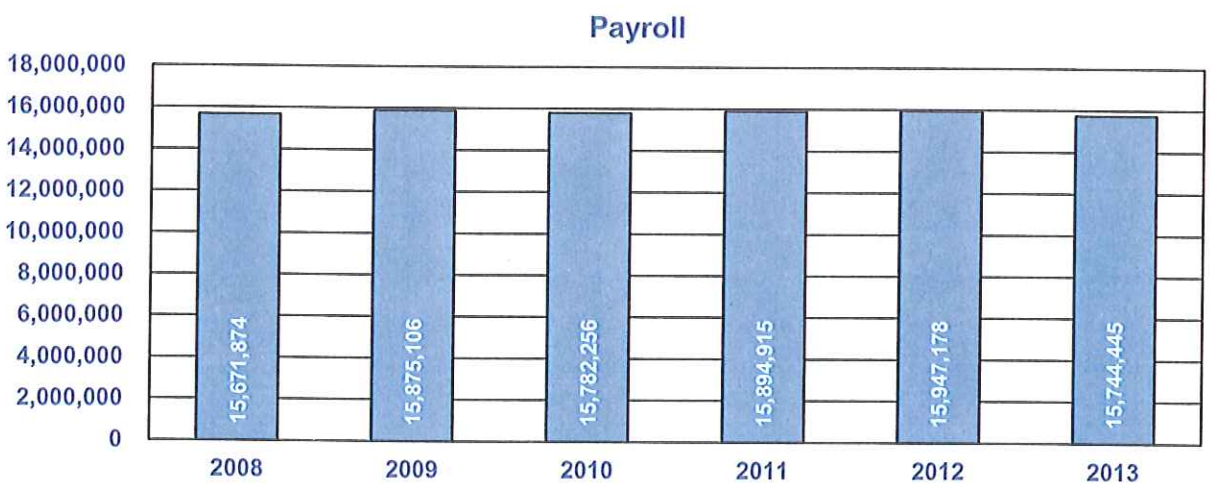
Section I - Executive Summary
A. Highlights

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.



From July 1, 2012 to July 1, 2013, the overall membership decreased from 555 to 553. During this period, there were 21 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 12 members, and the termination of 17 members who took lump sum distributions plus 5 members who retain deferred vested benefits.



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 from 2.25% to 3.25% for several Board of Education employee groups; all Board of Education employees are now contributing at 3.25%. The change decreased the Annual Required Contribution by $50,700.

Changes in Actuarial Methods or Assumptions

In order to better anticipate future plan experience and provide for more stability from year to year in the Town's contribution, we have made several changes to the actuarial assumptions and funding method:

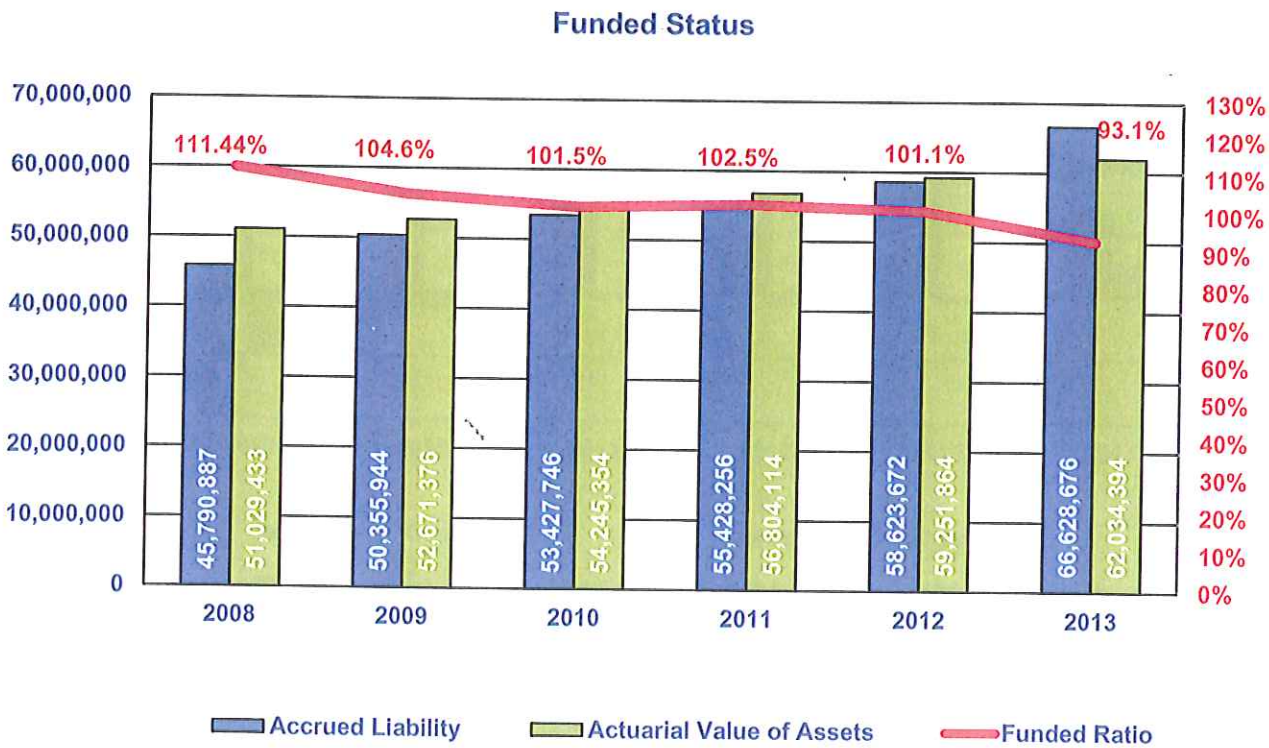
- We changed the actuarial funding method from the Projected Unit Credit Cost Method to the Entry Age Normal Cost Method.
- We lowered the interest rate assumption from 7.75% to 7.5%.
- We changed the salary growth assumption from 4.0% to 3.5%.
- We changed the amortization growth rate assumption from 4.0% to 3.5%.
- We changed the mechanism for reflecting the cost of disability benefits from a load basis to valuing the disability benefits directly.

These changes increased the Unfunded Accrued Liability by $5,552,000 and decreased the Annual Required Contribution by $275,000.

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. The change in 2013 in the actuarial cost method from Projected Unit Credit to Entry Age Normal also caused an increase in the Accrued Liability and a corresponding drop in the funded ratio.

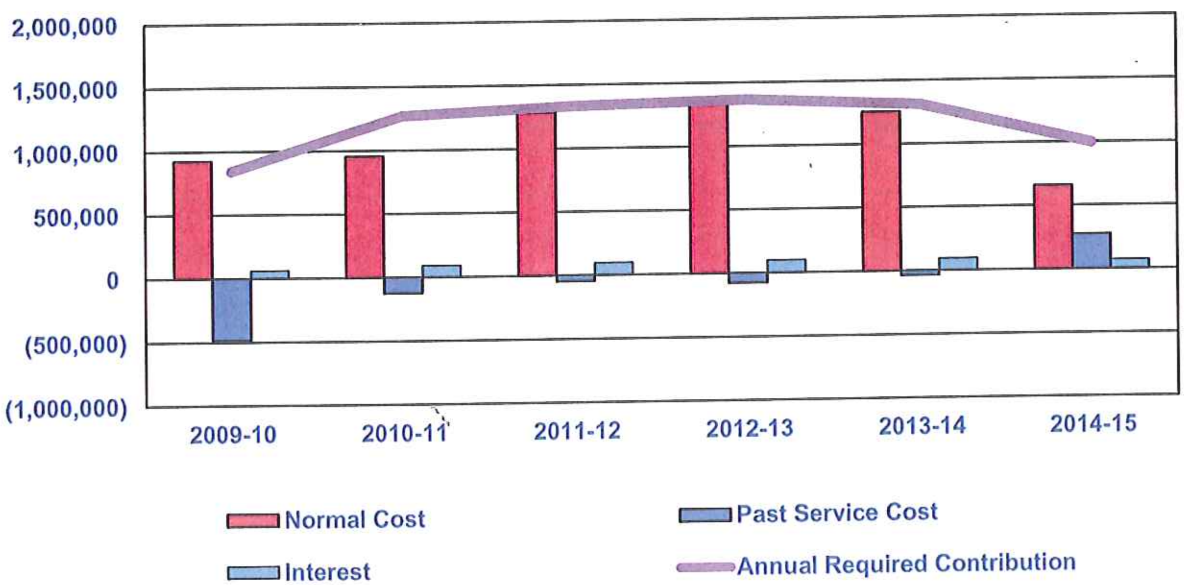


Section I - Executive Summary
A. Highlights

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.

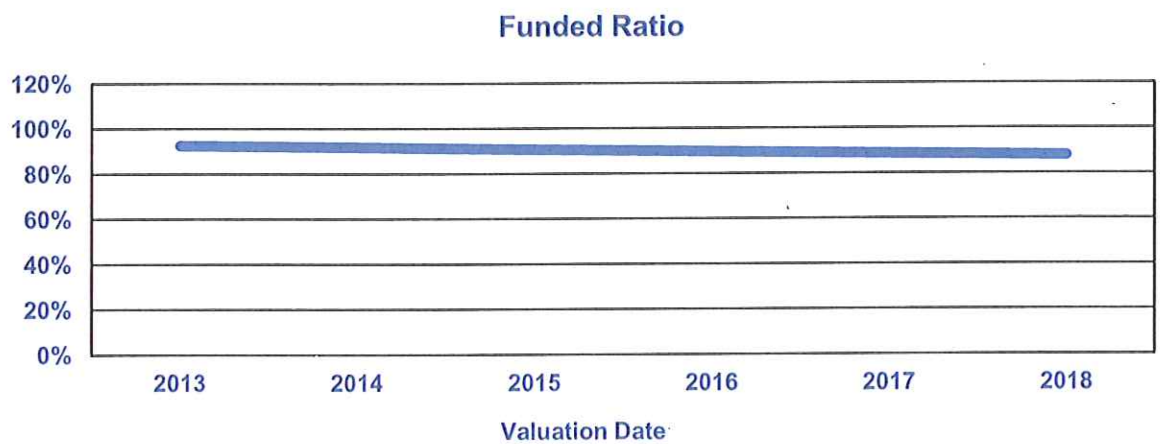


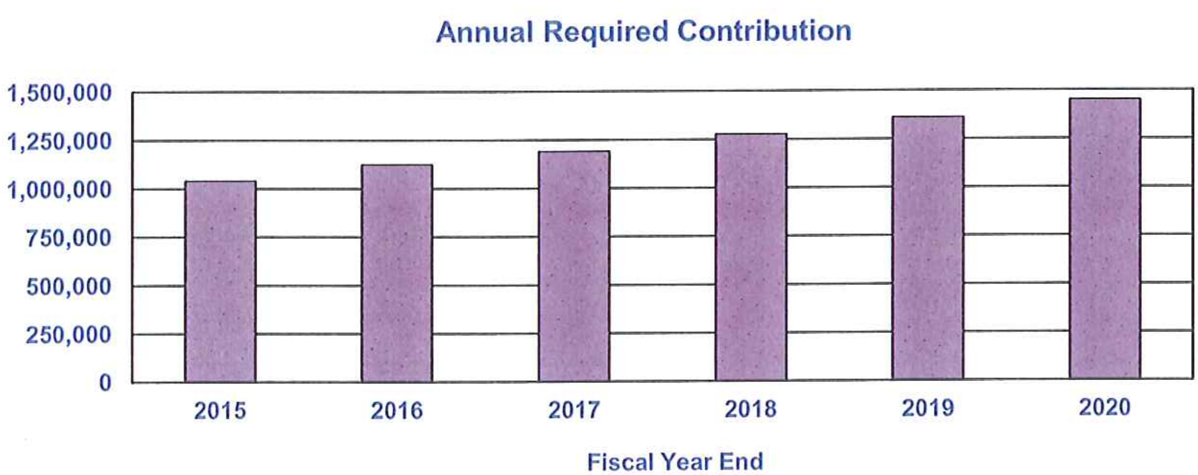
The significant rise in the Annual Required Contribution during this period is due to the large market losses suffered in 2007-08 and 2008-09. The reduction in the contribution from FY 2013-14 to FY 2014-15 is the result of strong asset growth, the increase in the employee contribution rate and the changes to the actuarial assumptions and cost method described on page 5.

Section I - Executive Summary
A. Highlights

Long Range Forecast

As of July 1, 2013, the Actuarial Value of Assets is 8% higher than the Market Value of Assets, since the Actuarial Value has not fully recognized the large market losses from 2007-08 and 2008-09. As these losses are 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, 2012	July 1, 2013
Active Members	354	346
Terminated Vested Members	29	30
Members in Pay Status	172	177
Total Payroll	$16,117,394	$15,780,796
Covered Payroll	15,947,178	15,744,445

Assets and Liabilities	July 1, 2012	July 1, 2013
Market Value of Assets	$51,198,115	$57,271,671
Actuarial Value of Assets	59,251,864	62,034,394
Accrued Liability for Active Members	$27,357,494	$33,232,707
Accrued Liability for Terminated Vested Members	1,367,965	1,666,586
Accrued Liability for Members in Pay Status	29,898,213	31,729,383
Total Accrued Liability	58,623,672	66,628,676
Unfunded Accrued Liability	(628,192)	4,594,282
Funded Ratio	101.1%	93.1%

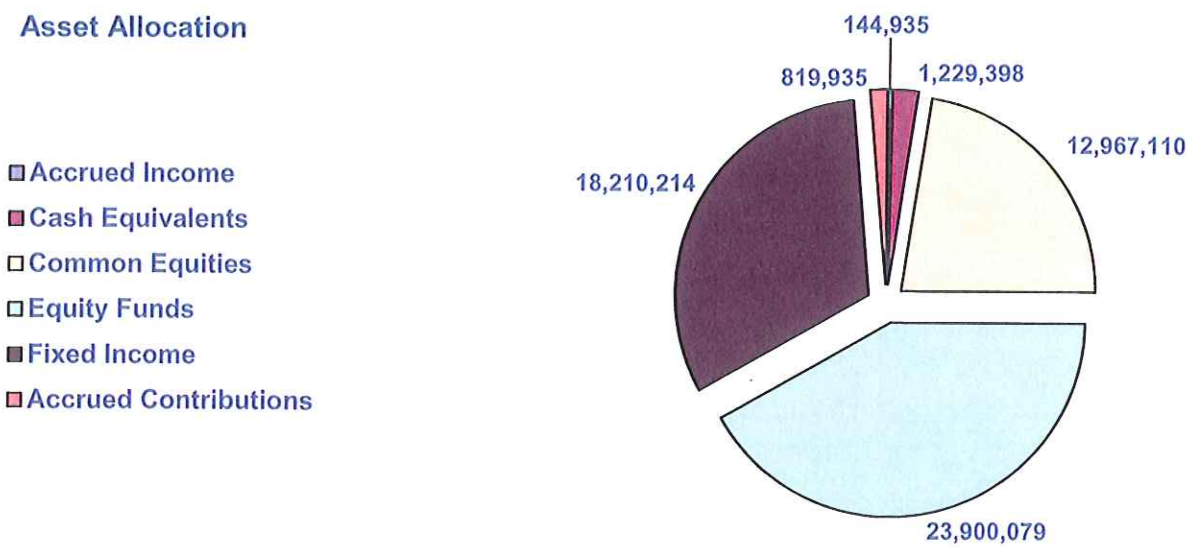
Annual Required Contribution for Fiscal Year	2013-14	2014-15
Normal Cost	$1,252,918	$656,032
Past Service Cost	(35,507)	272,692
Interest	94,349	69,654
Annual Required Contribution	1,311,760	998,378

Section II - Plan Assets
A. Summary of Fund Transactions

Market Value as of July 1, 2012	$51,198,115
Employer Contributions	1,367,561
Employee Contributions	394,100
Benefit Payments	(2,995,057)
Interest and Dividends	934,621
Unrealized Gains/(Losses)	4,911,895
Realized Gains/(Losses)	1,714,394
Investment Expenses	(253,958)
Market Value as of July 1, 2013	57,271,671
Approximate Rate of Return	14.45%

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



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, 2013 is determined below.

1. Expected Actuarial Value of Assets:	
a. Actuarial Value of Assets as of July 1, 2012	$59,251,864
b. Employer and Employee Contributions	1,761,661
c. Benefit Payments and Administrative Expenses	(2,995,057)
d. Expected Investment Return Based on 7.75% Interest	4,545,117
e. Expected Actuarial Value of Assets as of July 1, 2013	62,563,585
2. Actual Market Value of Assets as of July 1, 2013	57,271,671
3. Actuarial Value as of July 1, 2013: 90% of (1e) + 10% of (2)	62,034,394
4. Approximate Rate of Return on Actuarial Value	6.85%
5. Actuarial Value (Gain)/Loss	(529,191)

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, 2012	July 1, 2013
1. Accrued Liability		
Active Members	$27,357,494	$33,232,707
Terminated Vested Members	1,367,965	1,666,586
Retired Members	28,420,740	29,997,639
Disabled Members	101,545	102,267
Beneficiaries of Deceased Members	1,375,928	1,629,477
Total	58,623,672	66,628,676
2. Actuarial Value of Assets (see Section II B)	59,251,864	62,034,394
3. Unfunded Accrued Liability: (1) - (2)	(628,192)	4,594,282
4. Funded Ratio: (2) / (1)	101.1%	93.1%
5. Amortization Period	27	26
6. Amortization Growth Rate	4.00%	3.50%
7. Past Service Cost: (3) amortized over (5)	(35,507)	272,692

Section III - Development of Contribution
B. Annual Required Contribution

	Fiscal Year 2013-14	Fiscal Year 2014-15
1. Total Normal Cost	$1,763,617	$1,206,287
2. Expected Employee Contributions	510,699	550,255
3. Net Normal Cost: (1) - (2)	1,252,918	656,032
4. Past Service Cost (see Section III A)	(35,507)	272,692
5. Interest on (3) + (4) to start of next fiscal year	94,349	69,654
6. Annual Required Contribution: (3) + (4) + (5)	1,311,760	998,378
7. Allocation of Annual Required Contribution		
Town	609,377	459,463
Board of Education	702,383	538,915
Total	1,311,760	998,378

Section III - Development of Contribution
C. Long Range Forecast

This forecast is based on the results of the July 1, 2013 actuarial valuation and assumes that the Town will pay the Annual Required Contribution each year, the assets will return 7.50% on a market value basis each year, and there are no changes 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 Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
7/1/2013	$66,628,676	$62,034,394	$4,594,282	93.1%	2015	$998,378	$529,489	($3,570,258)	($2,042,391)
7/1/2014	69,655,089	64,797,148	4,857,941	93.0%	2016	1,012,973	510,181	(3,950,482)	(2,427,328)
7/1/2015	72,484,277	67,042,600	5,441,677	92.5%	2017	1,049,690	498,695	(4,287,448)	(2,739,063)
7/1/2016	75,112,634	69,073,188	6,039,446	92.0%	2018	1,108,335	485,430	(4,623,356)	(3,029,591)
7/1/2017	77,586,740	70,948,221	6,638,519	91.4%	2019	1,163,626	473,136	(4,956,468)	(3,319,706)
7/1/2018	79,892,905	72,677,528	7,215,377	91.0%	2020	1,223,043	462,294	(5,260,740)	(3,575,403)
7/1/2019	81,993,077	74,250,119	7,742,958	90.6%	2021	1,288,722	452,751	(5,543,976)	(3,802,503)
7/1/2020	83,936,561	75,689,474	8,247,087	90.2%	2022	1,355,605	445,404	(5,819,635)	(4,018,626)
7/1/2021	85,728,235	77,014,813	8,713,422	89.8%	2023	1,426,310	440,498	(6,067,003)	(4,200,195)
7/1/2022	87,368,954	78,228,529	9,140,425	89.5%	2024	1,496,789	438,974	(6,292,819)	(4,357,056)
7/1/2023	88,874,836	79,357,669	9,517,167	89.3%	2025	1,579,058	437,502	(6,514,269)	(4,497,709)
7/1/2024	90,258,248	80,421,112	9,837,136	89.1%	2026	1,668,028	437,447	(6,748,500)	(4,643,025)
7/1/2025	91,530,386	81,430,343	10,100,043	89.0%	2027	1,761,936	439,790	(6,997,234)	(4,795,508)
7/1/2026	92,672,662	82,376,070	10,296,592	88.9%	2028	1,861,174	444,594	(7,185,977)	(4,880,209)
7/1/2027	93,662,130	83,245,720	10,416,410	88.9%	2029	1,968,013	451,482	(7,368,549)	(4,949,054)
7/1/2028	94,554,911	84,103,545	10,451,366	88.9%	2030	2,082,069	459,384	(7,533,540)	(4,992,087)
7/1/2029	95,357,141	84,964,758	10,392,383	89.1%	2031	2,202,372	468,496	(7,694,972)	(5,024,104)
7/1/2030	96,082,882	85,856,053	10,226,829	89.4%	2032	2,329,652	479,042	(7,841,313)	(5,032,619)
7/1/2031	96,736,162	86,790,784	9,945,378	89.7%	2033	2,466,730	490,565	(7,958,669)	(5,001,374)
7/1/2032	97,330,980	87,796,275	9,534,705	90.2%	2034	2,614,858	503,152	(8,052,196)	(4,934,186)

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

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, 2013
Actuarial Cost Method	Entry Age Normal
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	7.50%
Projected Salary Increases	3.50%
Amortization Growth Rate	3.50%
Inflation	2.50%

Section IV - Accounting Information
B. Schedule of Funding Progress

		(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	For Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3) / (5)
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%
07/01/2013	2014-15	62,034,394	66,628,676	4,594,282	93.1%	15,744,445	29.2%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	Annual Required Contribution	Actual Contribution	Percent Funded
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	1,367,561	100.0%
2014	1,311,760	TBD	TBD
2015	998,378	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, 2012	As of July 1, 2013
1. Value of Vested Benefits		
Active Members	$22,645,583	$24,425,004
Terminated Vested Members	1,367,965	1,666,586
Retired Members	28,383,551	29,997,639
Disabled Members	101,545	102,267
Beneficiaries of Deceased Members	1,358,453	1,629,477
Total Value of Vested Benefits	53,857,097	57,820,973
2. Value of Non-Vested Benefits	367,764	621,058
3. Total Value of Accrued Benefits: (1) + (2)	54,224,861	58,442,031
4. Market Value of Assets	51,198,115	57,271,671
5. Vested Funded Ratio: (4) / (1)	95.1%	99.0%
6. Accrued Funded Ratio: (4) / (3)	94.4%	98.0%

Section IV - Accounting Information
E. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2012-2013 plan year attributable to:

Increase for interest due to the decrease in the discount period	$4,086,368
Benefits Accumulated/(Forfeited)	1,510,475
Benefit Payments	(2,995,057)
Plan Amendments	0
Changes in Actuarial Assumptions	1,615,384
Net Increase/(Decrease)	4,217,170

Value of Accrued Plan Benefits:

July 1, 2013	$58,442,031
July 1, 2012	54,224,861
Net Increase/(Decrease)	4,217,170

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, 2012	354	29	156	2	14	555
Terminated due refund	-	1	-	-	-	1
Terminated, benefits due	(5)	5	-	-	-	0
Retired	(8)	(4)	12	-	-	0
Died, with beneficiary	-	-	(3)	-	-	(3)
Died, no beneficiary	-	-	(5)	-	(1)	(6)
Paid refund	(17)	(2)	-	-	-	(19)
New member	21	-	-	-	-	21
New beneficiary	-	-	-	-	3	3
Returned to Active	1	-	-	-	-	1
Correction	-	1	(1)	-	-	0
Count as of July 1, 2013	346	30	159	2	16	553

Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2012	As of July 1, 2013
Number of Active Members		
Number	354	346
Average Age	50.3	50.5
Average Service	11.3	11.7
Total Payroll	$16,117,394	$15,780,796
Average Payroll	45,529	45,609
Terminated Vested Members		
Number	29	30
Total Annual Benefit	$216,504	$249,915
Average Annual Benefit	7,466	8,331
Average Age	52.7	53.0
Retired Members *		
Number	156	159
Total Annual Benefit	$2,664,024	$2,785,816
Average Annual Benefit	17,077	17,521
Average Age	72.9	73.1
Disabled Members		
Number	2	2
Total Annual Benefit	$19,353	$19,681
Average Annual Benefit	9,677	9,841
Average Age	64.5	65.5
Beneficiaries of Deceased Members*		
Number	14	16
Total Annual Benefit	$188,299	$200,348
Average Annual Benefit	13,450	12,522
Average Age	80.1	77.4

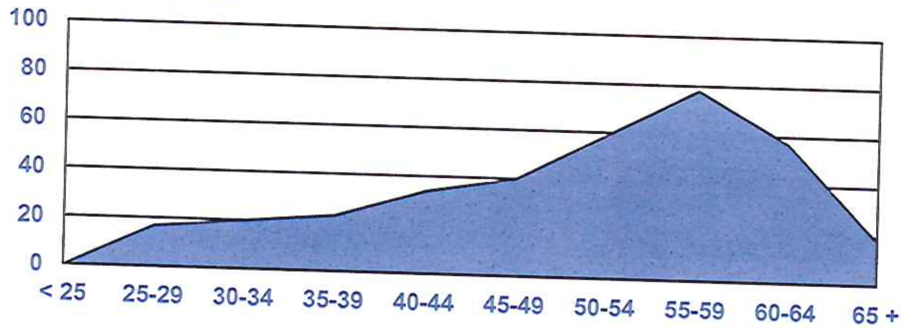
* Does not include statistics for 2 retirees and 2 beneficiaries who are covered for COLA only.

Section V - Membership Data

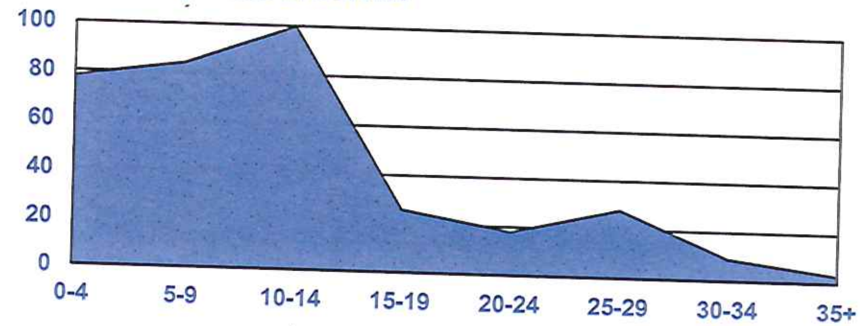
C. Distribution of Active Members as of July 1, 2013 - Count

	Years of Service								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
< 25	0	0	0	0	0	0	0	0	0
25-29	15	2	0	0	0	0	0	0	17
30-34	12	7	1	0	0	0	0	0	20
35-39	9	10	4	0	0	0	0	0	23
40-44	9	15	6	3	0	1	0	0	34
45-49	10	11	9	4	2	3	0	1	40
50-54	9	14	23	4	3	4	2	0	59
55-59	12	16	27	8	3	9	2	1	78
60-64	2	5	25	5	8	9	3	0	57
65 +	0	4	5	2	2	2	2	1	18
Total	78	84	100	26	18	28	9	3	346

Distribution By Age



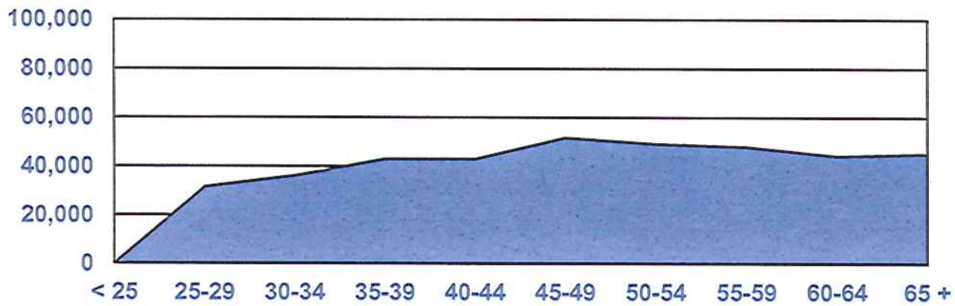
Distribution by Years of Service



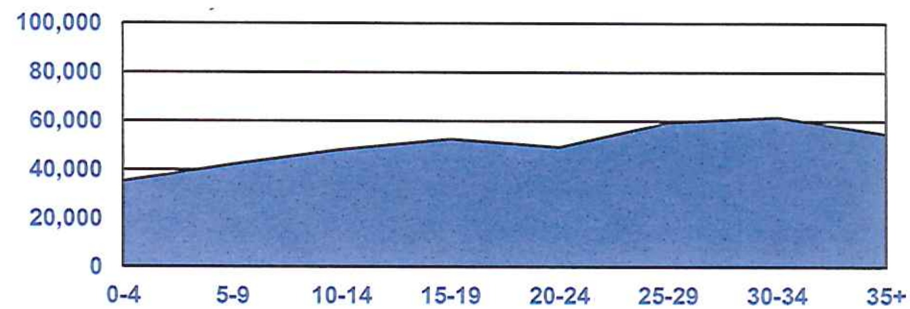
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2013 - Average Pay

	Years of Service								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
< 25	0	0	0	0	0	0	0	0	0
25-29	32,765	22,303	0	0	0	0	0	0	31,534
30-34	27,541	49,192	49,108	0	0	0	0	0	36,197
35-39	28,621	55,065	45,199	0	0	0	0	0	43,002
40-44	29,142	41,487	52,714	62,711	0	74,256	0	0	43,037
45-49	43,472	52,454	51,533	60,327	53,609	67,877	0	41,411	51,727
50-54	42,509	34,095	54,416	54,026	60,435	55,543	88,880	0	49,302
55-59	39,327	40,414	49,272	53,321	44,529	60,165	74,235	55,286	48,132
60-64	63,668	34,170	39,759	37,994	45,561	53,312	65,093	0	44,240
65 +	0	27,419	49,772	53,507	50,937	72,316	17,349	67,846	45,255
Total	35,364	42,183	48,347	52,658	49,359	59,499	61,801	54,848	45,609

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2013

	Age	Number	Annual Benefits
Terminated Vested Members / Members Due Refunds	< 30	1	$0
	30 - 39	2	10,841
	40 - 49	4	36,671
	50 - 59	14	128,091
	60 - 64	7	67,109
	65 +	2	7,205
	Total	30	249,917
Retired Members *	< 50	0	$0
	50 - 59	3	144,088
	60 - 69	60	1,177,718
	70 - 79	61	1,076,044
	80 - 89	28	304,496
	90 +	7	83,468
	Total	159	2,785,814
Disabled Retirees	< 50	0	$0
	50 - 59	1	5,546
	60 - 69	0	0
	70 - 79	1	14,136
	80 - 89	0	0
	90 +	0	0
	Total	2	19,682
Beneficiaries *	< 50	0	$0
	50 - 59	2	23,349
	60 - 69	0	0
	70 - 79	4	54,861
	80 - 89	10	122,139
	90 +	0	0
	Total	16	200,349

* Does not include statistics for 2 retirees and 2 beneficiaries who are covered for COLA only.

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal 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 Normal Cost is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

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

Current: 7.50%

Prior: 7.75%

Salary Scale

Current: 3.50%

Prior: 4.00%

Amortization Growth Rate

Current: 3.50%

Prior: 4.00%

Cost of Living

2.25%

Expenses

None.

Healthy 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.

Disabled Mortality

RP-2000 Disabled Mortality Table, Male and Female. This assumption assumes no improvements in longevity beyond the valuation date.

Turnover

According to the Crocker-Sarason T9 Table:

Age	Rate
20	17.95%
30	15.85%
40	11.27%
50	5.10%

Retirement

15% at age 55 with 10 years of service.

40% at the earlier of age 55 with 30 years of service or age 65.

At all other ages:

Age	Rate
56-59	10%
60-61	20%
62-69	30%
70	100%

Appendix B - Actuarial Assumptions

Disability

Current: 50% of 1985 Pension Class 1 table:

Age	Male	Female
25	0.02%	0.02%
35	0.03%	0.07%
45	0.10%	0.16%
55	0.36%	0.48%
65	0.88%	0.68%

100% of all disabilities are assumed to be non-service connected.

Prior: 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

3.25% of earnings for all Board of Education employees.

4.00% of earnings for all Town employees.

Employee Contributions will be credited at the rate of 4% per year through December 31, 1978 and 6% per year thereafter.

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.

Credited Service

Years and months of continuous service. Food Service employees will not receive service prior to February 19, 1986 and members of the Windsor Paraprofessional Employees Association will not receive service for years prior to September 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

1.75% of Final Average Earnings multiplied by Credited Service.

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.

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 by 6.7% for the first 5 years and 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 Deferred Retirement Date.
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.