TOWN OF WINDSOR RETIREMENT PLAN

Actuarial Valuation as of July 1, 2018
For Fiscal Year 2019-2020

Prepared by

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2018 for fiscal year 2019-2020. 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.

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.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work

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	Teresa M. Medeiros, FSA
Consulting Actuary	Consulting Actuary

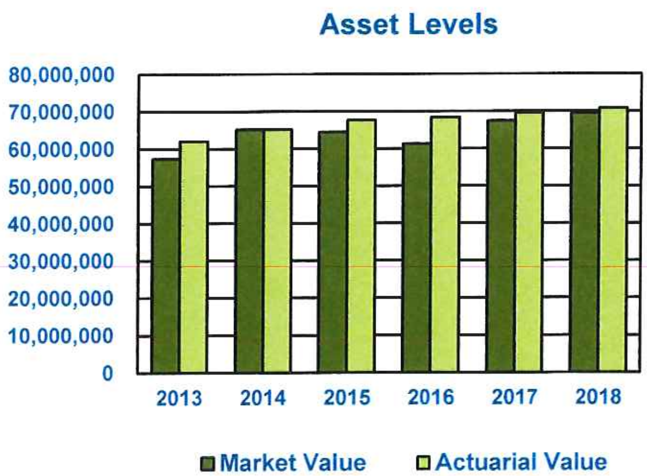
Section I - Executive Summary
A. Highlights

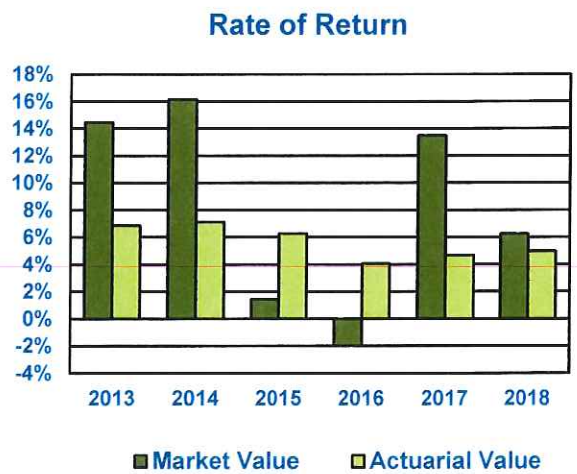
Assets

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 five years.

	Market	Actuarial
Value as of July 1, 2017	$67,388,476	$69,510,847
Contributions	1,759,320	1,759,320
Investment Income	4,142,017	3,394,103
Benefit Payments and Administrative Expenses	(3,818,132)	(3,818,132)
Value as of July 1, 2018	69,471,681	70,846,138

For 2017, the plan's assets earned 6.24% on a Market Value basis and 4.96% on an Actuarial Value basis. The actuarial assumption for this period was 7.125%; the result is an asset loss of $585,900 on a Market Value basis and a loss of $1,485,400 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.



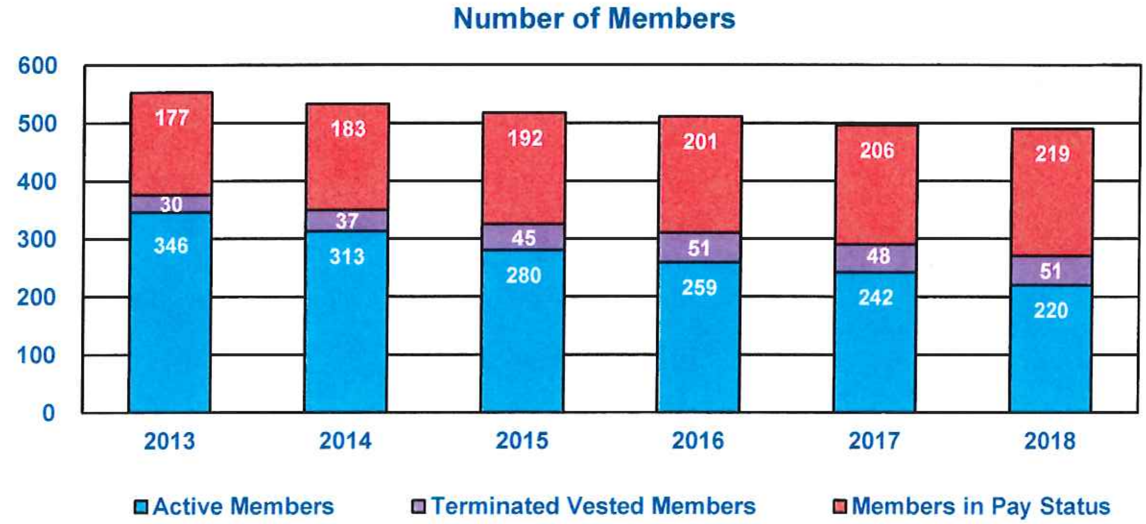


Please note that the Actuarial Value currently exceeds the Market Value by $1,374,500. This figure represents investment losses that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market gains.

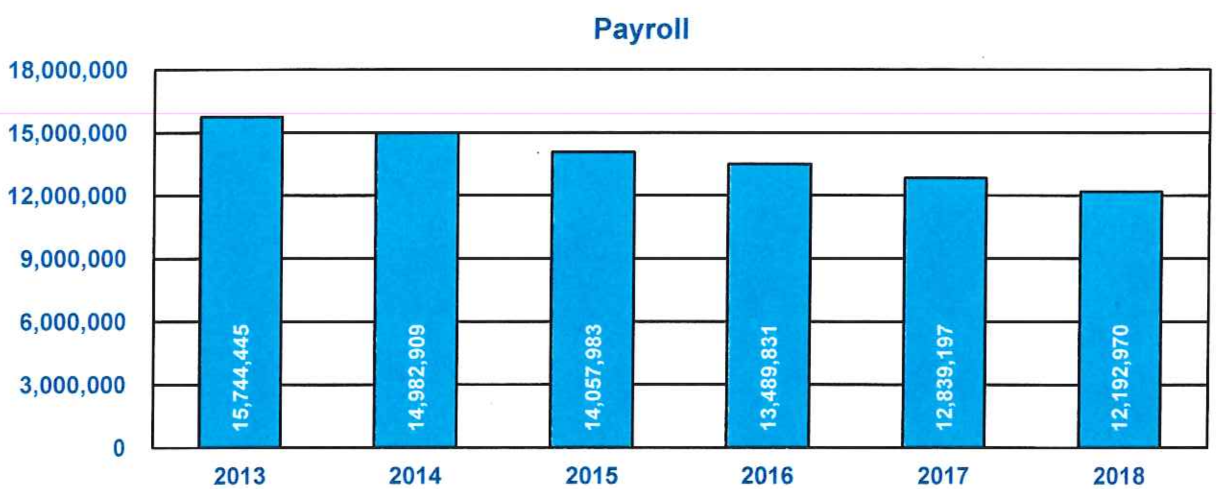
Section I - Executive Summary
A. Highlights

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, 2017 to July 1, 2018, the overall membership decreased from 496 to 490. During this period the plan saw the retirement of 12 active members, 6 terminated members who took lump sum distributions, plus 9 members who terminated and are due deferred vested benefits. There were 8 retiree deaths which include 2 with continuation of benefits to a beneficiary. Because the plan is closed to new members, the number of active members will decline over time.



Section I - Executive Summary
A. Highlights

Plan Changes

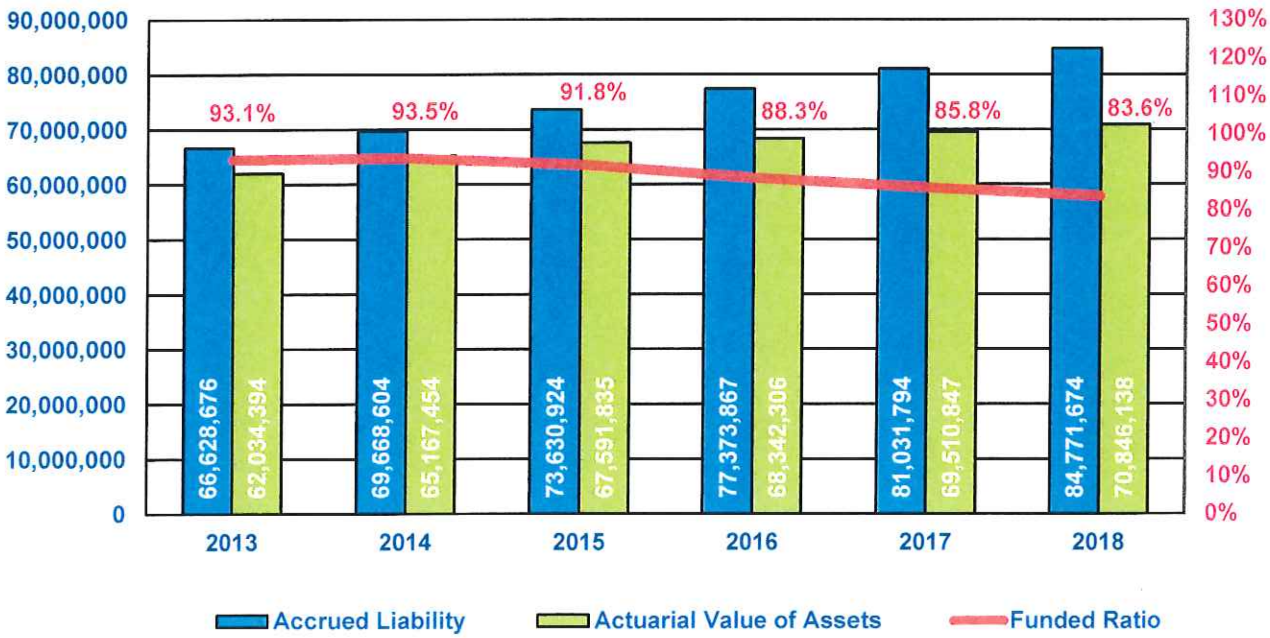
The Plan was amended to increase the employee contribution rate from 4.50% to 5.00% effective January 1, 2018 for all Dispatchers. The change decreased the Actuarially Determined Contribution by $2,100.

Changes in Actuarial Methods or Assumptions

In order to better anticipate future plan experience, we have lowered the interest rate assumption from 7.125% to 7.00%. The impact of this change was to increase the Unfunded Accrued Liability by $1,130,000 and increase the Actuarially Determined Contribution by $96,400.

Section I - Executive Summary
A. Highlights

Funded Status

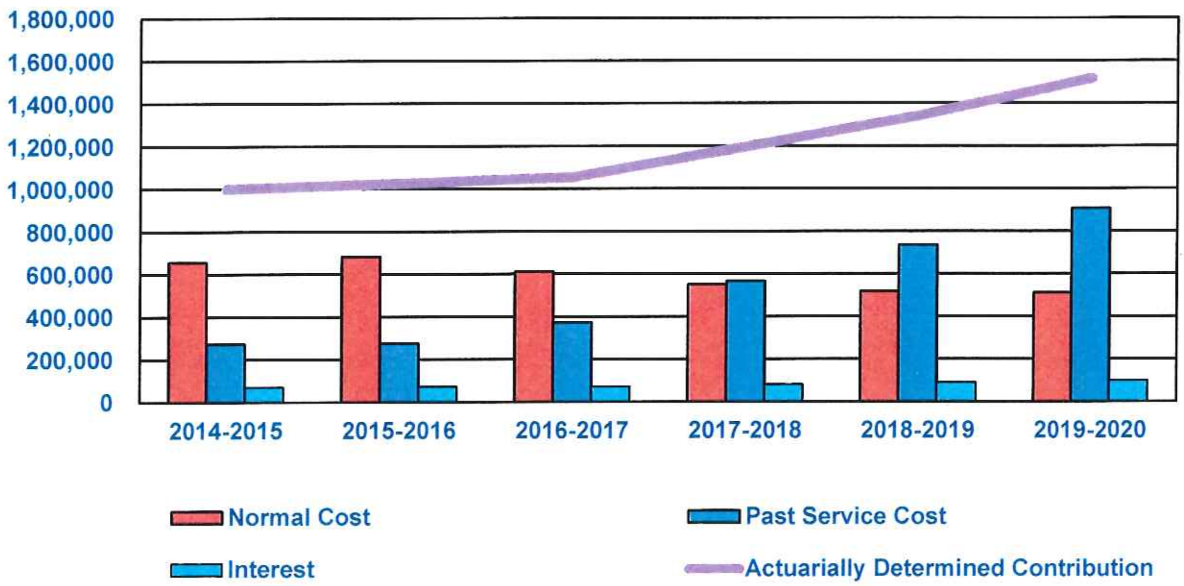


Section I - Executive Summary
A. Highlights

Actuarially Determined Contribution

The Actuarially Determined 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.

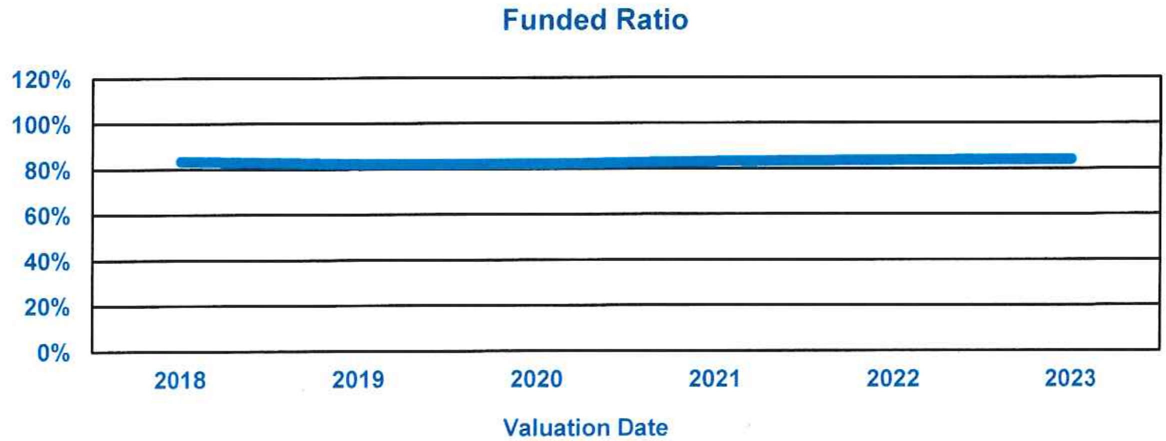
Contribution levels for the current year and the past few fiscal years are shown below.

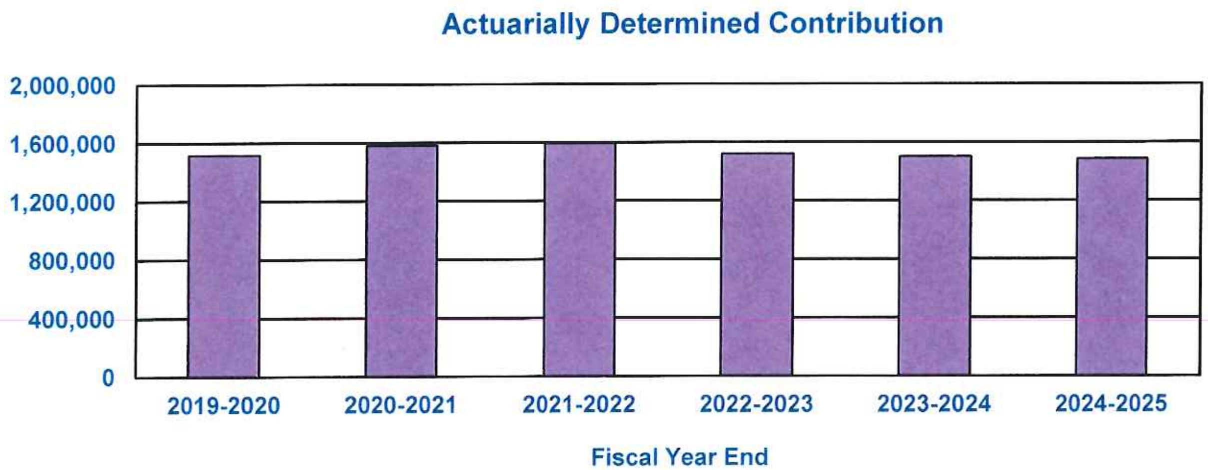


Section I - Executive Summary
A. Highlights

Long Range Forecast

We expect the valuation results for the next several years to follow the patterns illustrated below. Note that the forecast reflects that we maintain the interest rate assumption of 7.00% beyond July 1, 2018.





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, 2017	July 1, 2018
Active Members	242	220
Terminated Vested Members	48	51
Members in Pay Status	206	219
Covered Payroll	$12,839,197	$12,192,970

Assets and Liabilities	July 1, 2017	July 1, 2018
Market Value of Assets	$67,388,476	$69,471,681
Actuarial Value of Assets	69,510,847	70,846,138
Accrued Liability for Active Members	$38,285,621	$39,695,943
Accrued Liability for Terminated Vested Members	2,548,624	2,607,998
Accrued Liability for Members in Pay Status	40,197,549	42,467,733
Total Accrued Liability	81,031,794	84,771,674
Unfunded Accrued Liability	11,520,947	13,925,536
Funded Ratio	85.8%	83.6%

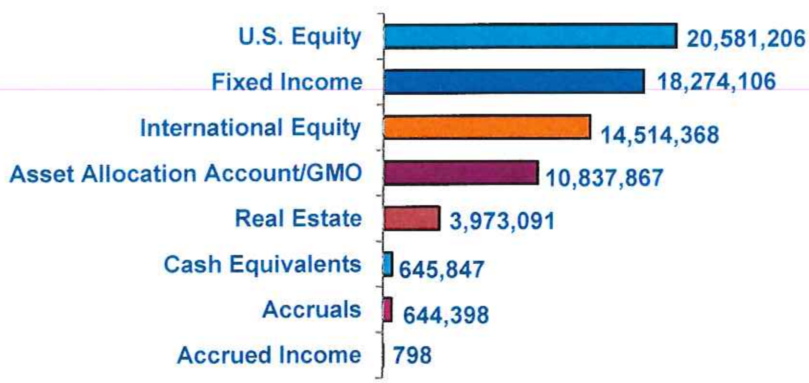
Actuarially Determined Contribution for Fiscal Year	2018-2019	2019-2020
Normal Cost	$517,463	$510,739
Past Service Cost	734,069	906,267
Interest	89,172	99,190
Actuarially Determined Contribution	1,340,704	1,516,196

Section II - Plan Assets
A. Summary of Fund Transactions

Market Value as of July 1, 2017	$67,388,476
Employer Contributions	1,196,328
Employee Contributions	562,992
Benefit Payments	(3,798,705)
Litigation Settlement	6,953
Interest and Dividends	1,352,133
Unrealized Gains/(Losses)	939,130
Realized Gains/(Losses)	1,843,801
Administrative Expenses	(19,427)
Market Value as of July 1, 2018	69,471,681
Approximate Rate of Return	6.242%

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 five year period. The Actuarial Value of Assets as of July 1, 2018 is determined below.

1.	Expected Market Value of Assets:	
	a. Market Value of Assets as of July 1, 2017	$67,388,476
	b. Employer and Employee Contributions	1,759,320
	c. Benefit Payments and Administrative Expenses	(3,818,132)
	d. Expected Investment Return Based on 7.125% Interest	4,727,951
	e. Expected Market Value of Assets as of July 1, 2018	70,057,615
2.	Actual Market Value of Assets as of July 1, 2018	69,471,681
3.	Market Value (Gain)/Loss: (1e) - (2)	585,934
4.	Delayed Recognition of Market (Gains)/Losses:	

Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized	
06/30/2018	$585,934	80%	$468,747	
06/30/2017	(3,754,634)	60%	(2,252,780)	
06/30/2016	5,954,521	40%	2,381,808	
06/30/2015	3,883,412	20%	776,682	
				1,374,457

5.	Actuarial Value of Assets as of July 1, 2018: (2) + (4)	70,846,138
6.	Approximate Rate of Return on Actuarial Value	4.956%
7.	Actuarial Value (Gain)/Loss	1,485,434

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, 2017	July 1, 2018
1. Accrued Liability		
Active Members	$38,285,621	$39,695,943
Terminated Vested Members	2,548,624	2,607,998
Retired Members	38,246,802	40,263,966
Disabled Members	217,717	218,457
Beneficiaries of Deceased Members	1,733,030	1,985,310
Total	81,031,794	84,771,674
2. Actuarial Value of Assets (see Section II B)	69,510,847	70,846,138
3. Unfunded Accrued Liability: (1) - (2)	11,520,947	13,925,536
4. Funded Ratio: (2) / (1)	85.8%	83.6%
5. Amortization Period	22	21
6. Amortization Growth Rate	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	734,069	906,267

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year 2018-2019	Fiscal Year 2019-2020
1. Total Normal Cost	$1,048,924	$1,011,200
2. Expected Employee Contributions	547,061	520,461
3. Expected Expenses	15,600	20,000
4. Net Normal Cost: (1) - (2) + (3)	517,463	510,739
5. Past Service Cost (see Section III A)	734,069	906,267
6. Interest on (4) + (5) to start of next fiscal year	89,172	99,190
7. Actuarially Determined Contribution: (4) + (5) + (6)	1,340,704	1,516,196
8. Allocation of Actuarially Determined Contribution*		
Town	646,234	756,198
Board of Education	694,470	759,998
Total	1,340,704	1,516,196

* Allocation on the basis of payroll.

Section III - Development of Contribution
C. Long Range Forecast

This forecast is based on the results of the July 1, 2018 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the indicated interest rate on a market value basis each year, with no additional 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	Interest Rate	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
7/1/2018	7.000%	$84,771,674	$70,846,138	$13,925,536	83.6%	2020	$1,516,196	$455,000	($4,826,000)	($2,854,804)
7/1/2019	7.000%	87,293,000	71,821,000	15,472,000	82.3%	2021	1,579,000	395,000	(5,295,000)	(3,321,000)
7/1/2020	7.000%	89,310,000	73,312,000	15,998,000	82.1%	2022	1,594,000	341,000	(5,705,000)	(3,770,000)
7/1/2021	7.000%	90,854,000	75,653,000	15,201,000	83.3%	2023	1,521,000	295,000	(6,051,000)	(4,235,000)
7/1/2022	7.000%	91,962,000	76,899,000	15,063,000	83.6%	2024	1,501,000	255,000	(6,403,000)	(4,647,000)
7/1/2023	7.000%	92,677,000	77,875,000	14,802,000	84.0%	2025	1,485,000	218,000	(6,681,000)	(4,978,000)
7/1/2024	7.000%	92,979,000	78,492,000	14,487,000	84.4%	2026	1,484,000	184,000	(6,973,000)	(5,305,000)
7/1/2025	7.000%	92,938,000	78,810,000	14,128,000	84.8%	2027	1,485,000	156,000	(7,214,000)	(5,573,000)
7/1/2026	7.000%	92,516,000	78,811,000	13,705,000	85.2%	2028	1,496,000	134,000	(7,395,000)	(5,765,000)
7/1/2027	7.000%	91,754,000	78,534,000	13,220,000	85.6%	2029	1,515,000	114,000	(7,532,000)	(5,903,000)
7/1/2028	7.000%	90,705,000	78,037,000	12,668,000	86.0%	2030	1,541,000	97,000	(7,647,000)	(6,009,000)
7/1/2029	7.000%	89,397,000	77,362,000	12,035,000	86.5%	2031	1,570,000	83,000	(7,734,000)	(6,081,000)
7/1/2030	7.000%	87,848,000	76,529,000	11,319,000	87.1%	2032	1,602,000	70,000	(7,803,000)	(6,131,000)
7/1/2031	7.000%	86,066,000	75,563,000	10,503,000	87.8%	2033	1,636,000	59,000	(7,854,000)	(6,159,000)
7/1/2032	7.000%	84,075,000	74,476,000	9,599,000	88.6%	2034	1,675,000	49,000	(7,851,000)	(6,127,000)
7/1/2033	7.000%	81,872,000	73,285,000	8,587,000	89.5%	2035	1,714,000	41,000	(7,844,000)	(6,089,000)
7/1/2034	7.000%	79,505,000	72,041,000	7,464,000	90.6%	2036	1,754,000	35,000	(7,796,000)	(6,007,000)
7/1/2035	7.000%	76,965,000	70,748,000	6,217,000	91.9%	2037	1,792,000	29,000	(7,728,000)	(5,907,000)
7/1/2036	7.000%	74,287,000	69,449,000	4,838,000	93.5%	2038	1,828,000	24,000	(7,638,000)	(5,786,000)
7/1/2037	7.000%	71,486,000	68,162,000	3,324,000	95.4%	2039	1,851,000	19,000	(7,507,000)	(5,637,000)

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, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 30 years from July 1, 2009
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	3.50%
Amortization Growth Rate	3.50%
Inflation	2.75%

Section IV - Accounting Information
B. Historical 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)
07/01/2009	2010-2011	$52,671,376	$50,355,944	($2,315,432)	104.6%	$15,875,106	0.0%
07/01/2010	2011-2012	54,245,354	53,427,746	(817,608)	101.5%	15,782,256	0.0%
07/01/2011	2012-2013	56,804,114	55,428,256	(1,375,858)	102.5%	15,894,915	0.0%
07/01/2012	2013-2014	59,251,864	58,623,672	(628,192)	101.1%	15,947,178	0.0%
07/01/2013	2014-2015	62,034,394	66,628,676	4,594,282	93.1%	15,744,445	29.2%
07/01/2014	2015-2016	65,167,454	69,668,604	4,501,150	93.5%	14,982,909	30.0%
07/01/2015	2016-2017	67,591,835	73,630,924	6,039,089	91.8%	14,057,983	43.0%
07/01/2016	2017-2018	68,342,306	77,373,867	9,031,561	88.3%	13,489,831	67.0%
07/01/2017	2018-2019	69,510,847	81,031,794	11,520,947	85.8%	12,839,197	89.7%
07/01/2018	2019-2020	70,846,138	84,771,674	13,925,536	83.6%	12,192,970	114.2%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the Actuarially Determined Contribution	(3) Contribution Deficiency/ (Excess) (1) - (2)	(4) Covered Payroll	(5) Contribution as a Percentage of Covered Payroll (2) / (4)
2011	$1,273,290	$1,273,290	$0	$15,875,106	8.02%
2012	1,334,389	1,334,389	0	15,782,256	8.45%
2013	1,367,561	1,367,561	0	15,894,915	8.60%
2014	1,311,760	1,311,760	0	15,947,178	8.23%
2015	998,378	998,378	0	15,744,445	6.34%
2016	1,026,539	1,026,539	0	14,982,909	6.85%
2017	1,054,742	1,054,742	0	14,057,983	7.50%
2018	1,196,328	1,196,328	0	13,489,831	8.87%
2019	1,340,704	TBD	TBD	12,839,197	TBD
2020	1,516,196	TBD	TBD	12,192,970	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, 2017	As of July 1, 2018
1. Value of Vested Benefits		
Active Members	$29,702,754	$31,436,073
Terminated Vested Members	2,548,624	2,607,998
Retired Members	38,246,802	40,263,966
Disabled Members	217,717	218,457
Beneficiaries of Deceased Members	1,733,030	1,985,310
Total Value of Vested Benefits	72,448,927	76,511,804
2. Value of Non-Vested Benefits	292,502	181,642
3. Total Value of Accrued Benefits: (1) + (2)	72,741,429	76,693,446
4. Market Value of Assets	67,388,476	69,471,681
5. Vested Funded Ratio: (4) / (1)	93.0%	90.8%
6. Accrued Funded Ratio: (4) / (3)	92.6%	90.6%

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

Increase/(Decrease) during the 2017-2018 plan year attributable to:

Increase for interest due to the decrease in the discount period	$5,049,826
Benefits Accumulated/(Forfeited)	1,713,871
Benefit Payments	(3,798,705)
Plan Amendments	0
Changes in Actuarial Assumptions	987,025
Net Increase/(Decrease)	3,952,017

Value of Accrued Plan Benefits:

July 1, 2018	$76,693,446
July 1, 2017	72,741,429
Net Increase/(Decrease)	3,952,017

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, 2017	242	48	187	3	16	496
Terminated, due refund	-	-	-	-	-	0
Terminated, benefits due	(9)	9	-	-	-	0
Retired	(12)	(6)	18	-	-	0
Disabled	-	-	-	-	-	0
Died, with beneficiary	-	-	(2)	-	2	0
Died, no beneficiary	-	-	(4)	-	(2)	(6)
Paid refund	(1)	-	-	-	-	(1)
New member	-	-	-	-	-	0
New beneficiary	-	-	-	-	-	0
Returned to Active	-	-	-	-	-	0
QDRO Alternate Payee	-	-	-	-	1	1
Count as of July 1, 2018	220	51	199	3	17	490

Section V - Membership Data
B. Statistics of Active Membership

	As of July 1, 2017	As of July 1, 2018
Board of Education		
Number	157	138
Average Age	54.9	55.7
Average Service	14.9	15.8
Covered Payroll	$6,627,483	$6,088,784
Average Payroll	42,213	44,122
Town		
Number	85	82
Average Age	52.5	53.4
Average Service	17.2	18.4
Covered Payroll	$6,211,714	$6,104,186
Average Payroll	73,079	74,441

Section V - Membership Data
C. Distribution of Active Members as of July 1, 2018

Board of Education

	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	0	0	0	0	0	0	0	0	0
30-34	0	3	1	0	0	0	0	0	4
35-39	0	3	0	1	0	0	0	0	4
40-44	0	6	1	0	0	0	0	0	7
45-49	0	5	7	2	3	0	0	0	17
50-54	0	3	5	5	2	0	2	1	18
55-59	0	6	8	14	4	0	1	0	33
60-64	0	6	10	14	5	1	2	1	39
65 +	0	0	3	5	2	1	4	1	16
Total	0	32	35	41	16	2	9	3	138

Town

	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	0	0	0	0	0	0	0	0	0
30-34	0	3	0	0	0	0	0	0	3
35-39	0	1	4	0	0	0	0	0	5
40-44	0	1	4	3	0	0	0	0	8
45-49	0	0	5	4	0	0	1	0	10
50-54	0	2	4	3	2	1	1	0	13
55-59	0	2	3	7	0	3	3	1	19
60-64	0	3	1	6	1	1	5	1	18
65 +	0	1	1	1	1	1	0	1	6
Total	0	13	22	24	4	6	10	3	82

Section V - Membership Data
D. Statistics of Inactive Membership

	As of July 1, 2017 *	As of July 1, 2018 *
Terminated Vested Members		
Number	48	51
Total Annual Benefit	$354,825	$384,507
Average Annual Benefit	7,392	7,539
Average Age	52.3	50.6
Retired Members		
Number	187	199
Total Annual Benefit	$3,474,054	$3,655,986
Average Annual Benefit	18,578	18,372
Average Age	73.2	73.0
Disabled Members		
Number	3	3
Total Annual Benefit	$28,287	$28,856
Average Annual Benefit	9,429	9,619
Average Age	65.3	66.3
Beneficiaries of Deceased Members		
Number	16	17
Total Annual Benefit	$210,529	$246,426
Average Annual Benefit	13,158	14,496
Average Age	79.9	85.0

* Does not include statistics for 1 beneficiary who is covered for COLA only.

Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2018

	Age	Number	Annual Benefits
Terminated Vested Members / Members Due Refunds	< 30	0	$0
	30 - 39	11	39,142
	40 - 49	13	91,990
	50 - 59	10	109,663
	60 - 64	13	109,449
	65 +	4	34,263
	Total	51	384,507
Retired Members	< 50	0	$0
	50 - 59	3	84,996
	60 - 69	76	1,549,664
	70 - 79	80	1,427,212
	80 - 89	34	546,277
	90 +	6	47,837
	Total	199	3,655,986
Disabled Members	< 50	0	$0
	50 - 59	1	8,071
	60 - 69	1	5,856
	70 - 79	0	0
	80 - 89	1	14,928
	90 +	0	0
	Total	3	28,855
Beneficiaries of Deceased Members *	< 50	0	$0
	50 - 59	3	38,704
	60 - 69	0	0
	70 - 79	5	101,439
	80 - 89	5	61,297
	90 +	4	44,987
	Total	17	246,427

* Does not include statistics for 1 beneficiary who is 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.

Beginning with the July 1, 2014 valuation, the Actuarial Value of Assets has been reset to equal the Market Value. In subsequent years, market gains and losses are recognized over a 5 year period.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate

Current: 7.00%

Prior: 7.125%

Salary Scale

3.50%

Amortization Growth Rate

3.50%

Cost of Living Adjustment

2.25%

Expenses

Prior year's expenses plus 3%, rounded to the nearest $100.

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

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.

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. The plan is closed to all new employees on or after July 1, 2014.

Employee Contributions

Board of Education Employees: 4.00% of earnings. Dispatchers and Non-Affiliated: 5% of earnings. Teamsters: 4.75%. All other employees: 4.50% of earnings.

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.