



# Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report  
December 31, 2024 - Manistee CRC (5103)





Spring 2025

Manistee CRC

In care of:  
Municipal Employees' Retirement System of Michigan  
1134 Municipal Way  
Lansing, Michigan 48917

This report presents the results of the Annual Actuarial Valuation, prepared for Manistee CRC (5103) as of December 31, 2024. The report includes the determination of liabilities and contribution rates resulting from the participation in the Municipal Employees' Retirement System of Michigan ("MERS"). This report contains the minimum actuarially determined contribution requirement, in alignment with the MERS Plan Document, Actuarial Policy, the Michigan Constitution, and governing statutes. Manistee CRC is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees.

The purposes of this valuation are to:

- Measure funding progress as of December 31, 2024,
- Establish contribution requirements for the fiscal year beginning October 1, 2026,
- Provide information regarding the identification and assessment of risk,
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements, and
- Provide information to assist the local unit of government with State reporting requirements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through December 31, 2024. The valuation was based upon information furnished by MERS concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by MERS.

The Municipal Employees' Retirement Act, PA 427 of 1984 and the MERS' Plan Document Article VI Sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. As the fiduciary of the plan, the MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are reviewed regularly through a comprehensive study, most recently in the Spring of 2025. The MERS Retirement Board adopted a Dedicated

Gains Policy at the February 17, 2022 Board meeting. The Dedicated Gains Policy automatically reduces the assumed rate of investment return in conjunction with recognizing excess investment gains to mitigate the impact on employer contributions the first year. The policy was effective with the December 31, 2021 annual actuarial valuation.

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202, of 2017, reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found at the end of this report for information for this filing.

For a full list of all the assumptions used, please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:

<https://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2024AnnualActuarialValuation-Appendix.pdf>

The actuarial assumptions used for this valuation, including the assumed rate of investment return, are reasonable for purposes of the measurement. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic).

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to the Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDRM). The LDRM calculation is provided in aggregate, along with aggregate employer results, in a separate report titled “Summary Report of the 79<sup>th</sup> Annual Actuarial Valuations,” and will be available on the MERS website during the fall of 2025.

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

Rebecca L. Stouffer, Mark Buis, Kurt Dosson, and Shana M. Neeson are members of the American Academy of Actuaries. These actuaries meet the Academy’s Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor. GRS maintains independent consulting agreements with certain local units of government for services unrelated to the actuarial consulting services provided in this report.

The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

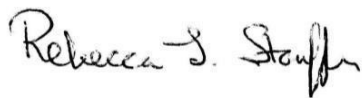
This information is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, or investment advice.



This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible for the consequences of any unauthorized use. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS (6377).

Sincerely,  
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



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# Executive Summary

## Funded Ratio

The funded ratio of a plan is the percentage of the dollar value of the actuarial accrued liability that is covered by the actuarial value of assets. While the funded ratio may be a useful plan measurement, understanding a plan's funding trend may be more important than a particular point in time. Refer to Table 7 to find a history of this information.

	12/31/2024	12/31/2023
Funded Ratio*	68%	68%

\* Reflects assets from Surplus divisions, if any.

Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS' technology service provider.

## Required Employer Contributions

Your required employer contributions are shown in the following table. Employee contributions, if any, are in addition to the employer contributions.

Effective with the December 31, 2021 valuation, the MERS Retirement Board adopted a Dedicated Gains Policy which allows for recognition of asset gains in excess of a set threshold in combination with lowering the assumed rate of investment return. Following the completion of an Experience Study and effective with the 2024 valuations, the MERS Retirement Board adopted updated demographic and economic assumptions. **The combined impact of the implementation of updated assumptions and application of the Dedicated Gains Policy is shown in the contribution requirements below.**

	Percentage of Payroll		Monthly \$ Based on Projected Payroll		
	Valuation Date:	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Fiscal Year Beginning:	October 1, 2026	October 1, 2025	October 1, 2026	October 1, 2025	
<b>Division</b>					
01 - General	-	-	\$ 36,396	\$ 37,632	
10 - NonUnEmp	-	-	7,950	7,359	
11 - Sr Adm Emp	-	-	0	0	
12 - General hired after 7/1/09	-	-	1,892	1,698	
13 - Non Union hired after 7/1/09	16.72%	16.11%	4,699	5,079	
14 - Gnrl hired on/aftr 9/18/17	6.70%	6.96%	5,990	5,261	
<b>Total Municipality - Estimated Monthly Contribution</b>			<b>\$ 56,927</b>	<b>\$ 57,029</b>	
<b>Total Municipality - Estimated Annual Contribution</b>			<b>\$ 683,124</b>	<b>\$ 684,348</b>	

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2024	12/31/2023
<b>Division</b>		
01 - General	5.00%	5.00%
10 - NonUnEmp	0.00%	0.00%
11 - Sr Adm Emp	5.90%	5.90%
12 - General hired after 7/1/09	5.00%	5.00%
13 - Non Union hired after 7/1/09	0.00%	0.00%
14 - Gnrl hired on/aftr 9/18/17	5.00%	5.00%

The employer may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements. Employers making contributions in excess of the minimum requirements may elect to apply the excess contribution immediately to a particular division, or segregate the excess into one or more "Surplus" divisions. An election in the first case would immediately reduce any unfunded accrued liability and lower the amortization payments throughout the remaining amortization period. Additional contribution into one or more Surplus divisions would not immediately lower future contributions, however the assets from the Surplus division(s) could be transferred to an unfunded division in the future to reduce the unfunded liability in future years, or to be used to pay all or a portion of the minimum required contribution in a future year. For purposes of this report, the assets in any Surplus division have been included in the municipality's total assets, unfunded accrued liability, and funded status; however, these assets are not used in calculating the minimum required contribution.

**MERS strongly encourages employers to contribute more than the minimum contribution shown above. With the implemented dedicated gains policy, market gains and losses will continue to be smoothed over five years; however, excess returns are used to lower the investment assumption. Thus, there will be fewer gains to smooth in down markets. Having additional funds in Surplus divisions will assist plans with navigating potential short-term market volatility.**



Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the fiscal year beginning in 2026 for the entire employer would be \$68,020, instead of \$56,927.

The required employer contribution rates, or dollars if the division is closed, determined in this report are reasonable under Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, based on:

- The use of reasonable actuarial assumptions and cost methods;
- The use of reasonable amortization and asset valuation methods; and
- Application of the MERS funding policy which will accumulate sufficient assets to make benefit payments when due, assuming all assumptions will be realized, and the required employer contributions are made when due.

### How and Why Do These Numbers Change?

In a defined benefit plan, contributions vary from one annual actuarial valuation to the next as a result of the following:

- Changes in benefit provisions (see Table 2);
- Changes in actuarial assumptions and methods (see the Appendix); and
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions.

These impacts are reflected in various tables in the report. For more information, please contact your Regional Manager.

### Comments on Investment Rate of Return Assumption

A defined benefit plan is funded by employer contributions, participant contributions, and investment earnings. Investment earnings have historically provided a significant portion of the funding. The larger the share of benefits being provided from investment returns, the smaller the required contributions, and vice versa. Determining the contributions required to prefund the promised retirement benefits requires an assumption of what investment earnings are expected to add to the fund over a long period of time. This is called the **Investment Return Assumption**.

The MERS Investment Return Assumption is **6.93%** per year. This, along with all other actuarial assumptions, is reviewed at least every five years in an Experience Study that compares the assumptions used against actual experience and recommends adjustments if necessary. If your municipality would like to explore contributions at lower assumed investment return assumptions, please review the “What If” projection scenarios later in this report.

### Assumption and Method Changes in 2024

Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically lowers the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the Plan. Full details of this dedicated gains policy are available in the Actuarial Policy found on the MERS [website](#). Some goals of the dedicated gains policy are to:



- Provide a systematic approach to lower the assumed rate of investment return between experience studies; and
- Use excess gains to cover both the increase in normal cost and any increase in UAL payment the first contribution year after application (i.e., minimize the first-year impact (i.e., increase) in employer contributions).

The dedicated gains policy was implemented with the December 31, 2021 annual actuarial valuation and was reflected in the computed employer contribution amounts beginning in fiscal year 2023.

Investment performance measured for the one-year period ending December 31, 2024 resulted in no change to the assumed rate of investment return of 6.93%.

On February 12, 2025, the MERS Retirement Board adopted the results of an Experience Study covering the period, January 1, 2019 through December 31, 2023. The study examined recent experience and trends, with consideration for the COVID-19 pandemic. The study resulted in incremental assumption updates, with limited impact on employer contributions and funded status, for most employers when results are measured on the new assumption basis. The results of this study are reflected in the December 31, 2024 annual actuarial valuations.

## MI Local Retirement Grant

Michigan lawmakers adopted Public Act 119 of 2023, which provided relief to local units of government with the most significant burden from qualified pension and retirement health benefit systems on their annual budget and revenues. As authorized under Public Act 119 of 2023, Section 990, the state pension and OPEB grants were awarded to eligible local governments in September 2024.

A smaller number of municipalities qualified for the **MI Local Retirement Grant** than the **Protecting MI Pension Grant Program** of the previous year. Pension funds received by municipalities were deposited into the MERS trust during September 2024 and are reflected in this valuation.

## Comments on Asset Smoothing

To avoid dramatic spikes and dips in annual contribution requirements due to short-term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. After initial application of asset smoothing, remaining excess market gains are used to buy down the assumed rate of investment return and increase the level of valuation assets, to the extent allowed by the dedicated gains policy. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. **The (smoothed) actuarial rate of return for 2024 was 3.79%, while the actual market rate of return was 7.28%.** The actuarial rate of return is below the assumed rate of return, which will put upward pressure on the employer contribution requirements determined in this valuation. To see historical details of the market rate of return compared to the smoothed actuarial rate of return, refer to this report's Appendix or view the "[How Smoothing Works](#)" video on the [Defined Benefit resource page](#) of the MERS website.

As of December 31, 2024, the actuarial value of assets is 107% of market value due to asset smoothing. This means that there are deferred investment losses, which will put upward pressure on contributions in the short term.

If the December 31, 2024 valuation results were based on market value instead of actuarial value:



- The funded percent of your entire municipality would be 64% (instead of 68%); and
- Your total employer contribution requirement for the fiscal year starting October 1, 2026 would be \$737,520 (instead of \$683,124).

## Alternate Scenarios to Estimate the Potential Volatility of Results ("What If Scenarios")

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore, the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

- Open divisions that have substantial assets compared to their active employee payroll will have more volatile employer contribution rates due to investment return fluctuations.
- Open divisions that have substantial accrued liability compared to their active employee payroll will have more volatile employer contribution rates due to demographic experience fluctuations.
- Small divisions will have more volatile contribution patterns than larger divisions because statistical fluctuations are relatively larger among small populations.
- Shorter amortization periods result in more volatile contribution patterns.

Many assumptions are important in determining the required employer contributions. In the following table, we show the impact of varying the Investment Return assumption. Lower investment returns would generally result in higher required employer contributions, and vice versa. The three economic scenarios below provide a quantitative risk assessment for the impact of investment returns on the plan's projected financial condition for funding purposes.

The relative impact of the economic scenarios below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2024 valuation and are for the municipality in total, not by division.

It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size. Projections are not predictions. Future valuations will be based on actual future experience.

12/31/2024 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
<b>Investment Return Assumption</b>	<b>4.93%</b>	<b>5.93%</b>	<b>6.93%</b>
Accrued Liability	\$ 18,767,082	\$ 16,921,572	\$ 15,353,152
Valuation Assets <sup>1</sup>	\$ 10,422,854	\$ 10,422,854	\$ 10,422,854
Unfunded Accrued Liability	\$ 8,344,228	\$ 6,498,718	\$ 4,930,298
<b>Funded Ratio</b>	56%	62%	68%
Monthly Normal Cost	\$ 23,904	\$ 18,148	\$ 13,678
Monthly Amortization Payment	\$ 51,983	\$ 42,368	\$ 32,931
<b>Total Employer Contribution<sup>2</sup></b>	\$ 84,443	\$ 69,938	\$ 56,927



<sup>1</sup> The Valuation Assets include assets from Surplus divisions, if any.

<sup>2</sup> If assets exceed accrued liabilities for a division, the division may have an overfunding credit to reduce the division's employer contribution requirement. If the overfunding credit is larger than the normal cost, the division's full credit is included in the municipality's amortization payment above but the division's total contribution requirement is zero. This can cause the displayed normal cost and amortization payment to not add up to the displayed total employer contribution.

## Projection Scenarios

The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate economic assumption scenarios. All three projections account for the past investment experience that will continue to affect the actuarial rate of return in the short term.

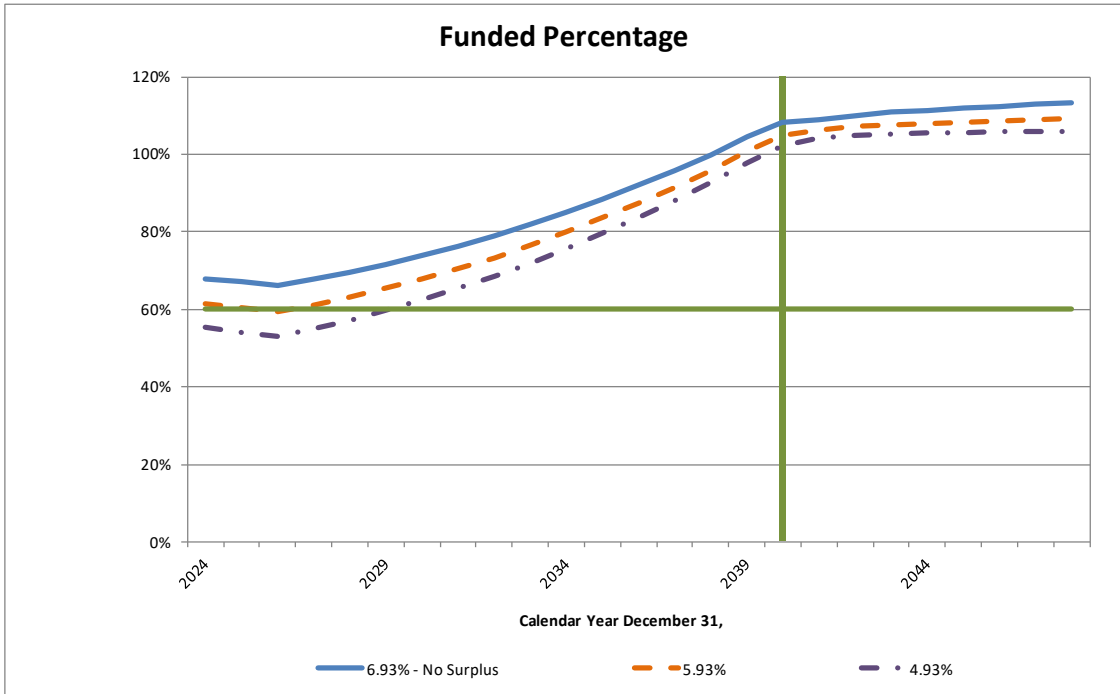
The 6.93% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 6.93% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively and make contributions in addition to the minimum requirements. The 5.93% and 4.93% projection scenarios provide an indication of the potential required employer contribution if these assumptions were met over the long term.

Valuation Year Ending 12/31	Fiscal Year Beginning 10/1	Actuarial Accrued Liability	Valuation Assets <sup>2</sup>	Funded Percentage	Estimated Annual Employer Contribution
<b>6.93%<sup>1</sup></b>					
2024	2026	\$ 15,353,152	\$ 10,422,854	68%	\$ 683,124
2025	2027	\$ 15,600,000	\$ 10,400,000	67%	\$ 731,000
2026	2028	\$ 15,800,000	\$ 10,500,000	66%	\$ 783,000
2027	2029	\$ 16,000,000	\$ 10,800,000	68%	\$ 807,000
2028	2030	\$ 16,100,000	\$ 11,200,000	70%	\$ 831,000
2029	2031	\$ 16,200,000	\$ 11,600,000	72%	\$ 855,000
<b>5.93%<sup>1</sup></b>					
2024	2026	\$ 16,921,572	\$ 10,422,854	62%	\$ 839,256
2025	2027	\$ 17,100,000	\$ 10,300,000	60%	\$ 894,000
2026	2028	\$ 17,300,000	\$ 10,300,000	59%	\$ 951,000
2027	2029	\$ 17,500,000	\$ 10,700,000	61%	\$ 978,000
2028	2030	\$ 17,600,000	\$ 11,100,000	63%	\$ 1,010,000
2029	2031	\$ 17,800,000	\$ 11,600,000	65%	\$ 1,040,000
<b>4.93%<sup>1</sup></b>					
2024	2026	\$ 18,767,082	\$ 10,422,854	56%	\$ 1,013,316
2025	2027	\$ 19,000,000	\$ 10,200,000	54%	\$ 1,070,000
2026	2028	\$ 19,200,000	\$ 10,100,000	53%	\$ 1,140,000
2027	2029	\$ 19,300,000	\$ 10,600,000	55%	\$ 1,170,000
2028	2030	\$ 19,500,000	\$ 11,100,000	57%	\$ 1,200,000
2029	2031	\$ 19,600,000	\$ 11,700,000	60%	\$ 1,240,000

<sup>1</sup> Represents both the interest rate for discounting liabilities and the future investment return assumption on the Market Value of assets.

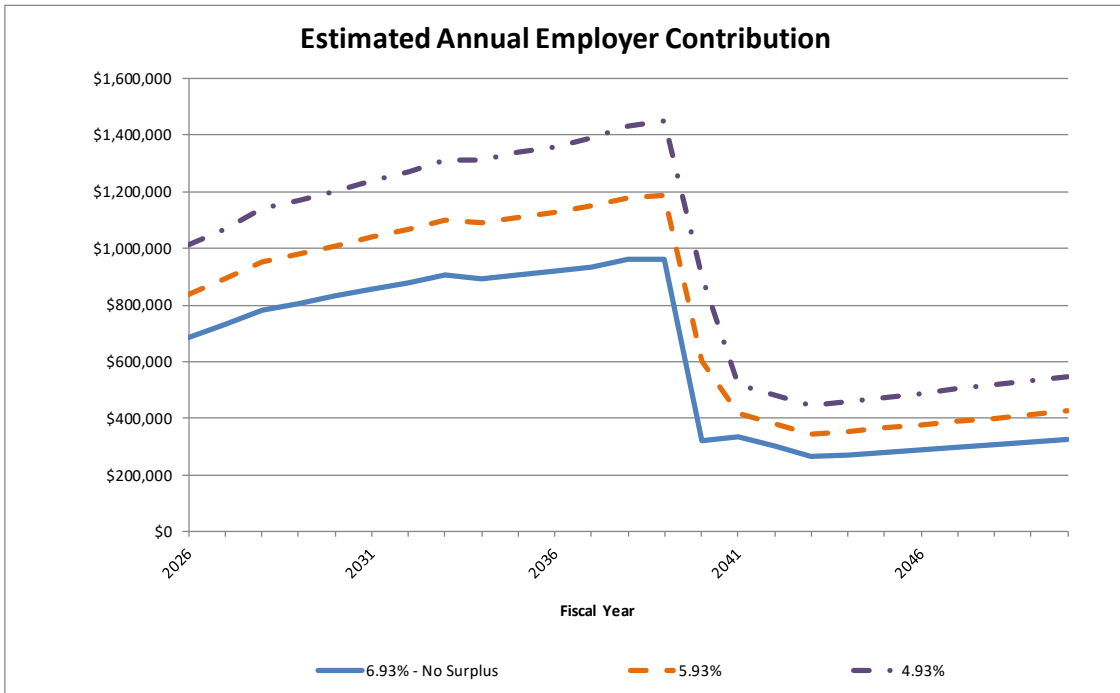
<sup>2</sup> Valuation Assets do not include assets from Surplus divisions, if any.





**Notes:**

The green indicator lines have been added at 60% funded and 16 years following the valuation date for PA 202 purposes.



## Table 1: Employer Contribution Details for the Fiscal Year Beginning October 1, 2026

Division	Total Normal Cost	Employee Contribution Rate	Employer Contributions <sup>1</sup>			Blended ER Rate <sup>5</sup>	Employee Contribution Conversion Factor <sup>2</sup>
			Employer Normal Cost <sup>6</sup>	Payment of the Unfunded Accrued Liability <sup>4</sup>	Computed Employer Contribution		
<b>Percentage of Payroll</b>							
01 - General	12.05%	5.00%	-	-	-	31.85%	
10 - NonUnEmp	9.16%	0.00%	-	-	-	38.35%	
11 - Sr Adm Emp	0.00%	5.90%	-	-	-		
12 - General hired after 7/1/09	12.96%	5.00%	-	-	-	31.85%	
13 - Non Union hired after 7/1/09	13.96%	0.00%	13.96%	2.76%	16.72%	38.35%	0.85%
14 - GnrI hired on/aftr 9/18/17	11.37%	5.00%	6.37%	0.33%	6.70%	31.85%	0.80%
<b>Estimated Monthly Contribution<sup>3</sup></b>							
01 - General			\$ 2,615	\$ 33,781	\$ 36,396		
10 - NonUnEmp			446	7,504	7,950		
11 - Sr Adm Emp			0	(10,318)	0		
12 - General hired after 7/1/09			1,002	890	1,892		
13 - Non Union hired after 7/1/09			3,924	775	4,699		
14 - GnrI hired on/aftr 9/18/17			5,691	299	5,990		
<b>Total Municipality</b>			<b>\$ 13,678</b>	<b>\$ 32,931</b>	<b>\$ 56,927</b>		
<b>Estimated Annual Contribution<sup>3</sup></b>			<b>\$ 164,136</b>	<b>\$ 395,172</b>	<b>\$ 683,124</b>		

- <sup>1</sup> The above employer contribution requirements are in addition to the employee contributions, if any.
- <sup>2</sup> If employee contributions are increased/decreased by 1.00% of pay, the employer contribution requirement will decrease/increase by the Employee Contribution Conversion Factor. The conversion factor is usually under 1% because employee contributions may be refunded at termination of employment and not used to fund retirement pensions. Employer contributions will all be used to fund pensions.
- <sup>3</sup> For divisions that are open to new hires, estimated contributions are based on projected fiscal year payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts. For divisions that will have no new hires (i.e., closed divisions), invoices will be based on the above dollar amounts which are based on projected fiscal year payroll. See description of Open Divisions and Closed Divisions in the Appendix.
- <sup>4</sup> Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions not to add across.
- <sup>5</sup> For linked divisions, the employer will be invoiced the Computed Employer Contribution rate shown above for each linked division (a contribution rate for the open division; a contribution dollar for the closed-but-linked division), unless the employer elects to contribute the Blended Employer Contribution rate shown above, by contacting MERS at 800-767-MERS (6377).
- <sup>6</sup> For divisions with a negative employer normal cost, employee contributions cover the normal cost and a portion of the payment of any unfunded accrued liability.

Please see the Comments on Asset Smoothing in the Executive Summary of this report.



## Table 2: Benefit Provisions

### 01 - General: Closed to new hires, linked to Division 14

	2024 Valuation	2023 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	5.00%	5.00%
<b>Act 88:</b>	No	No

### 10 - NonUnEmp: Closed to new hires, linked to Division 13

	2024 Valuation	2023 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0.00%	0.00%
<b>Act 88:</b>	No	No

### 11 - Sr Adm Emp: Closed to new hires

	2024 Valuation	2023 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>COLA for Future Retirees:</b>	2.50% (Non-Compound)	2.50% (Non-Compound)
<b>Employee Contributions:</b>	5.90%	5.90%
<b>RS50% Percentage:</b>	50%	50%
<b>Act 88:</b>	No	No

**12 - General hired after 7/1/09: Closed to new hires, linked to Division 14**

	<b>2024 Valuation</b>	<b>2023 Valuation</b>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	5.00%	5.00%
<b>Act 88:</b>	No	No

**13 - Non Union hired after 7/1/09: Open Division, linked to Division 10**

	<b>2024 Valuation</b>	<b>2023 Valuation</b>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	0.00%	0.00%
<b>Act 88:</b>	No	No

**14 - Gnrl hired on/aftr 9/18/17: Open Division, linked to Division 01, 12**

	<b>2024 Valuation</b>	<b>2023 Valuation</b>
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	5.00%	5.00%
<b>Act 88:</b>	No	No



### Table 3: Participant Summary

Division	2024 Valuation		2023 Valuation		2024 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
<b>01 - General</b>							
Active Employees	10	\$ 550,920	11	\$ 608,233	57.3	23.2	23.2
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	39	736,573	40	772,474	73.7		
Pending Refunds	0		0				
<b>10 - NonUnEmp</b>							
Active Employees	1	\$ 81,024	2	\$ 167,533	59.0	28.8	28.8
Vested Former Employees	2	29,670	2	29,670	56.8	9.1	13.3
Retirees and Beneficiaries	4	124,786	3	70,183	65.5		
Pending Refunds	0		0				
<b>11 - Sr Adm Emp</b>							
Active Employees	0	\$ 0	0	\$ 0	0.0	0.0	0.0
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	3	126,201	3	124,233	85.1		
Pending Refunds	0		0				
<b>12 - General hired after 7/1/09</b>							
Active Employees	3	\$ 158,117	3	\$ 151,288	53.6	16.3	16.3
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	1	2,773	1	2,773	64.5		
Pending Refunds	0		0				
<b>13 - Non Union hired after 7/1/09</b>							
Active Employees	4	\$ 283,800	4	\$ 295,141	46.2	3.9	4.8
Vested Former Employees	1	3,203	0	0	42.9	2.3	14.8
Retirees and Beneficiaries	1	24,461	0	0	67.4		
Pending Refunds	0		0				
<b>14 - Gnrl hired on/aftr 9/18/17</b>							
Active Employees	16	\$ 828,838	13	\$ 701,086	48.1	3.0	5.1
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	0	0	0	0	0.0		
Pending Refunds	5		3				
<b>Total Municipality</b>							
Active Employees	34	\$ 1,902,699	33	\$ 1,923,281	51.4	11.0	12.1
Vested Former Employees	3	32,873	2	29,670	52.2	6.8	13.8
Retirees and Beneficiaries	48	1,014,794	47	969,663	73.4		
Pending Refunds	5		3				
<b>Total Participants</b>	<b>90</b>		<b>85</b>				

<sup>1</sup> Annual payroll for active employees; annual deferred benefits payable for vested former employees; annual benefits being paid for retirees and beneficiaries.

<sup>2</sup> Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

## Table 4: Reported Assets (Market Value)

Division	2024 Valuation		2023 Valuation	
	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>
01 - General	\$ 5,504,881	\$ 152,014	\$ 5,497,222	\$ 132,590
10 - NonUnEmp	1,475,808	0	1,388,349	0
11 - Sr Adm Emp	1,414,115	0	1,435,939	0
12 - General hired after 7/1/09	411,777	81,640	367,234	70,799
13 - Non Union hired after 7/1/09	365,806	17,097	282,994	45,686
14 - Gnrl hired on/aftr 9/18/17	210,814	149,395	143,503	105,568
<b>Municipality Total<sup>3</sup></b>	<b>\$ 9,383,201</b>	<b>\$ 400,146</b>	<b>\$ 9,115,242</b>	<b>\$ 354,643</b>
<b>Combined Assets<sup>3</sup></b>	<b>\$9,783,346</b>		<b>\$9,469,884</b>	

<sup>1</sup> Reserve for Employer Contributions and Benefit Payments.

<sup>2</sup> Reserve for Employee Contributions.

<sup>3</sup> Totals may not add due to rounding.

The December 31, 2024 valuation assets (actuarial value of assets) are equal to 1.065367 times the reported market value of assets (compared to 1.099555 as of December 31, 2023). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

**Table 5: Flow of Valuation Assets**

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income (Valuation Assets)	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2014	\$ 807,629	\$ 0	\$ 7,134	\$ 409,487	\$ (688,035)	\$ 0	\$ 0	\$ 7,318,694
2015	831,470	0	9,697	399,309	(722,218)	0	0	7,836,952
2016	778,940	0	11,177	441,225	(753,996)	0	0	8,314,298
2017	464,381	101,136	18,774	497,704	(851,687)	0	0	8,544,606
2018	510,823	14,646	38,597	309,826	(854,316)	0	0	8,564,182
2019	516,725	15,621	51,499	397,878	(859,825)	0	0	8,686,080
2020	548,563	8,238	51,798	682,206	(905,793)	0	0	9,071,092
2021	573,159	4,593	49,136	1,526,879	(931,307)	0	0	10,293,552
2022	505,317	4,299	63,071	332,236	(899,829)	(19,515)	0	10,279,131
2023	534,723	3,231	70,663	491,889	(966,979)	0	0	10,412,658
2024	540,147	0	76,546	376,306	(982,339)	(464)	0	10,422,854

Notes:

Transfers in and out are usually related to the transfer of participants between municipalities, and to employer and employee payments for service credit purchases (if any) that the governing body has approved.

The investment income column reflects the recognized investment income based on Valuation Assets. It does not reflect the market value investment return in any given year.

The Valuation Asset balance includes assets from Surplus divisions, if any.

Years where historical information is not available will be displayed with zero values.



**Table 6: Actuarial Accrued Liabilities and Valuation Assets  
as of December 31, 2024**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - General	\$ 3,087,043	\$ 0	\$ 7,442,753	\$ 0	\$ 10,529,796	\$ 6,026,670	57.2%	\$ 4,503,126
10 - NonUnEmp	557,636	251,213	1,570,701	0	2,379,550	1,572,277	66.1%	807,273
11 - Sr Adm Emp	0	0	880,966	0	880,966	1,506,551	171.0%	(625,585)
12 - General hired after 7/1/09	604,681	0	36,091	0	640,772	525,670	82.0%	115,102
13 - Non Union hired after 7/1/09	242,143	12,517	247,422	0	502,082	407,931	81.2%	94,151
14 - Gnrl hired on/aftr 9/18/17	392,948	0	0	27,038	419,986	383,755	91.4%	36,231
<b>Total</b>	<b>\$ 4,884,451</b>	<b>\$ 263,730</b>	<b>\$ 10,177,933</b>	<b>\$ 27,038</b>	<b>\$ 15,353,152</b>	<b>\$ 10,422,854</b>	<b>67.9%</b>	<b>\$ 4,930,298</b>

The following results show the combined accrued liabilities and assets for each set of linked divisions. These results are already shown in the table on the prior page(s).

**Table 6 (continued)**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
Linked Divisions 13, 10	\$ 799,779	\$ 263,730	\$ 1,818,123	\$ 0	\$ 2,881,632	\$ 1,980,208	68.7%	\$ 901,424
Linked Divisions 14, 01, 12	4,084,672	0	7,478,844	27,038	11,590,554	6,936,095	59.8%	4,654,459

**Please see the Comments on Asset Smoothing in the Executive Summary of this report.**

The December 31, 2024 valuation assets (actuarial value of assets) are equal to 1.065367 times the reported market value of assets. Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.



## Table 7: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 10,570,991	\$ 5,659,923	54%	\$ 4,911,068
2011	10,954,938	6,104,733	56%	4,850,205
2012	11,349,113	6,391,089	56%	4,958,024
2013	11,427,592	6,782,479	59%	4,645,113
2014	11,722,837	7,318,694	62%	4,404,143
2015	12,690,803	7,836,952	62%	4,853,851
2016	12,767,800	8,314,298	65%	4,453,502
2017	12,919,691	8,544,606	66%	4,375,085
2018	13,156,259	8,564,182	65%	4,592,077
2019	13,422,350	8,686,080	65%	4,736,270
2020	13,684,863	9,071,092	66%	4,613,771
2021	14,037,701	10,293,552	73%	3,744,149
2022	14,687,207	10,279,131	70%	4,408,076
2023	15,346,016	10,412,658	68%	4,933,358
2024	15,353,152	10,422,854	68%	4,930,298

Notes: Actuarial assumptions were revised for the 2010, 2011, 2012, 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The Valuation Assets include assets from Surplus divisions, if any.

Years where historical information is not available will be displayed with zero values.

Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS's technology service provider.

## Tables 8 and 9: Division-Based Comparative Schedules

### Division 01 - General

**Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 8,779,820	\$ 6,166,720	70%	\$ 2,613,100
2015	9,495,682	6,196,565	65%	3,299,117
2016	9,748,362	6,214,156	64%	3,534,206
2017	9,301,698	5,953,045	64%	3,348,653
2018	9,372,759	5,843,470	62%	3,529,289
2019	9,764,163	5,793,383	59%	3,970,780
2020	9,996,753	5,824,931	58%	4,171,822
2021	10,274,837	6,417,698	62%	3,857,139
2022	10,580,932	6,294,045	59%	4,286,887
2023	10,898,745	6,190,288	57%	4,708,457
2024	10,529,796	6,026,670	57%	4,503,126

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

**Table 9-01: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	24	\$ 1,005,564	\$ 21,136	0.00%
2015	24	1,032,774	\$ 26,492	0.00%
2016	20	833,243	\$ 26,846	0.00%
2017	16	665,786	\$ 23,750	2.00%
2018	15	645,223	\$ 25,143	3.00%
2019	13	567,325	\$ 28,780	4.00%
2020	13	575,568	\$ 30,730	4.00%
2021	13	572,212	\$ 28,078	5.00%
2022	11	542,214	\$ 32,740	5.00%
2023	11	608,233	\$ 37,632	5.00%
2024	10	550,920	\$ 36,396	5.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.



## Division 10 - NonUnEmp

**Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 834,056	\$ 744,217	89%	\$ 89,839
2015	936,146	785,582	84%	150,564
2016	812,300	821,325	101%	(9,025)
2017	1,363,647	1,116,863	82%	246,784
2018	1,492,551	1,146,044	77%	346,507
2019	1,614,449	1,160,754	72%	453,695
2020	1,784,688	1,242,103	70%	542,585
2021	1,960,835	1,425,130	73%	535,705
2022	2,147,376	1,457,745	68%	689,631
2023	2,233,738	1,526,566	68%	707,172
2024	2,379,550	1,572,277	66%	807,273

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

**Table 9-10: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	2	\$ 79,095	\$ 1,065	0.00%
2015	2	84,580	\$ 1,544	0.00%
2016	2	83,697	\$ 376	0.00%
2017	4	194,550	\$ 3,360	0.00%
2018	3	155,616	\$ 3,979	0.00%
2019	3	158,262	\$ 4,780	0.00%
2020	2	121,048	\$ 5,388	0.00%
2021	2	131,803	\$ 5,472	0.00%
2022	2	157,241	\$ 7,065	0.00%
2023	2	167,533	\$ 7,359	0.00%
2024	1	81,024	\$ 7,950	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.



## Division 11 - Sr Adm Emp

**Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 1,975,333	\$ 339,753	17%	\$ 1,635,580
2015	2,062,686	752,631	37%	1,310,055
2016	1,965,751	1,129,207	57%	836,544
2017	1,941,839	1,261,323	65%	680,516
2018	1,897,571	1,269,207	67%	628,364
2019	1,518,728	1,316,755	87%	201,973
2020	1,237,683	1,456,067	118%	(218,384)
2021	970,120	1,708,338	176%	(738,218)
2022	943,980	1,633,033	173%	(689,053)
2023	920,376	1,578,894	172%	(658,518)
2024	880,966	1,506,551	171%	(625,585)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

**Table 9-11: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	0	\$ 0	\$ 12,521	0.00%
2015	0	0	\$ 15,584	0.00%
2016	0	0	\$ 15,428	5.90%
2017	0	0	\$ 15,361	5.90%
2018	0	0	\$ 16,965	5.90%
2019	0	0	\$ 0	5.90%
2020	0	0	\$ 0	5.90%
2021	0	0	\$ 0	5.90%
2022	0	0	\$ 0	5.90%
2023	0	0	\$ 0	5.90%
2024	0	0	\$ 0	5.90%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.



## Division 12 - General hired after 7/1/09

**Table 8-12: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 120,111	\$ 59,385	49%	\$ 60,726
2015	165,560	82,401	50%	83,159
2016	192,669	112,872	59%	79,797
2017	248,172	158,497	64%	89,675
2018	298,717	218,789	73%	79,928
2019	379,246	279,702	74%	99,544
2020	455,946	340,387	75%	115,559
2021	475,644	404,822	85%	70,822
2022	499,373	424,073	85%	75,300
2023	574,112	481,641	84%	92,471
2024	640,772	525,670	82%	115,102

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

**Table 9-12: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	2	\$ 69,486	11.35%	5.00%
2015	4	138,036	9.86%	5.00%
2016	5	175,790	9.89%	5.00%
2017	7	223,239	\$ 1,764	5.00%
2018	7	269,189	\$ 2,075	5.00%
2019	7	293,466	\$ 2,486	5.00%
2020	6	248,406	\$ 2,285	5.00%
2021	4	169,044	\$ 1,522	5.00%
2022	3	145,183	\$ 1,456	5.00%
2023	3	151,288	\$ 1,698	5.00%
2024	3	158,117	\$ 1,892	5.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

## Division 13 - Non Union hired after 7/1/09

**Table 8-13: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 13,517	\$ 8,619	64%	\$ 4,898
2015	30,729	19,773	64%	10,956
2016	48,718	36,738	75%	11,980
2017	64,217	54,245	85%	9,972
2018	81,910	75,070	92%	6,840
2019	107,297	104,955	98%	2,342
2020	131,502	143,590	109%	(12,088)
2021	215,168	226,208	105%	(11,040)
2022	293,398	294,122	100%	(724)
2023	376,620	361,402	96%	15,218
2024	502,082	407,931	81%	94,151

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

**Table 9-13: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	1	\$ 73,194	13.90%	5.00%
2015	1	75,140	14.53%	5.00%
2016	1	75,145	14.51%	5.00%
2017	1	75,452	14.21%	5.00%
2018	2	121,224	11.26%	5.00%
2019	2	129,555	11.05%	5.00%
2020	3	169,790	14.97%	0.00%
2021	4	218,934	15.30%	0.00%
2022	4	270,249	15.48%	0.00%
2023	4	295,141	16.11%	0.00%
2024	4	283,800	16.72%	0.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

## Division 14 - Gnrl hired on/aftr 9/18/17

**Table 8-14: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 0	\$ 0	0%	\$ 0
2015	0	0	0%	0
2016	0	0	0%	0
2017	118	633	536%	(515)
2018	12,751	11,602	91%	1,149
2019	38,467	30,531	79%	7,936
2020	78,291	64,014	82%	14,277
2021	141,097	111,356	79%	29,741
2022	222,148	176,113	79%	46,035
2023	342,425	273,867	80%	68,558
2024	419,986	383,755	91%	36,231

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

**Table 9-14: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	0	\$ 0	\$ 0	0.00%
2015	0	0	\$ 0	0.00%
2016	0	0	\$ 0	0.00%
2017	3	82,080	6.67%	5.00%
2018	4	129,751	5.89%	5.00%
2019	6	207,515	6.05%	5.00%
2020	6	246,599	6.24%	5.00%
2021	9	368,111	6.60%	5.00%
2022	13	557,126	6.57%	5.00%
2023	13	701,086	6.96%	5.00%
2024	16	828,838	6.70%	5.00%

<sup>1</sup> For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

<sup>2</sup> For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.



# Table 10: Division-Based Layered Amortization Schedule

## Division 01 - General

**Table 10-01: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 10/1/2026		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 3,299,117	23	\$ 3,308,940	14	\$ 308,172
(Gain)/Loss	12/31/2016	127,419	22	137,193	14	12,780
(Gain)/Loss	12/31/2017	(267,039)	21	(285,606)	14	(26,604)
Amendment	12/31/2017	830	21	877	14	84
(Gain)/Loss	12/31/2018	163,539	20	174,138	14	16,224
Amendment	12/31/2018	(446)	20	(479)	14	(48)
(Gain)/Loss	12/31/2019	133,807	19	141,234	14	13,152
Assumption	12/31/2019	293,556	19	285,897	14	26,628
Amendment	12/31/2019	(3,308)	19	(3,489)	14	(324)
Experience	12/31/2020	160,167	18	170,172	14	15,852
Experience	12/31/2021	(362,269)	17	(386,285)	14	(35,976)
Experience	12/31/2022	487,395	16	527,048	14	49,092
Experience	12/31/2023	455,295	15	500,600	14	46,620
Experience	12/31/2024	(203,935)	15	(229,306)	15	(20,280)
<b>Total</b>				<b>\$ 4,340,934</b>		<b>\$ 405,372</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.



## Division 10 - NonUnEmp

**Table 10-10: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 10/1/2026		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2017	\$ 241,078	15	\$ 207,338	8	\$ 30,432
(Gain)/Loss	12/31/2018	88,405	15	80,990	9	10,752
(Gain)/Loss	12/31/2019	26,723	15	25,586	10	3,108
Assumption	12/31/2019	58,174	15	53,360	10	6,492
Experience	12/31/2020	83,367	15	83,622	11	9,408
Experience	12/31/2021	(11,455)	15	(11,883)	12	(1,248)
Experience	12/31/2022	165,207	15	176,990	13	17,448
Experience	12/31/2023	24,948	15	27,427	14	2,556
Experience	12/31/2024	111,662	15	125,554	15	11,100
<b>Total</b>				<b>\$ 768,984</b>		<b>\$ 90,048</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 11 - Sr Adm Emp

**Table 10-11: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 10/1/2026		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2019	\$ (118,956)	10	\$ (85,696)	5	\$ (19,068)
Experience	12/31/2020	(254,641)	10	(209,518)	6	(39,564)
Experience	12/31/2021	(390,626)	10	(354,930)	7	(58,488)
Experience	12/31/2022	2,098	10	2,073	8	300
Experience	12/31/2023	(21,947)	10	(23,284)	9	(3,096)
Experience	12/31/2024	(28,511)	10	(32,058)	10	(3,900)
<b>Total</b>				<b>\$ (703,413)</b>		<b>\$ (123,816)</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 12 - General hired after 7/1/09

**Table 10-12: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 10/1/2026		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 83,159	23	\$ 79,536	14	\$ 7,404
(Gain)/Loss	12/31/2016	(3,780)	22	(4,066)	14	(384)
(Gain)/Loss	12/31/2017	10,144	21	10,842	14	1,008
(Gain)/Loss	12/31/2018	(11,004)	20	(11,713)	14	(1,092)
(Gain)/Loss	12/31/2019	10,961	19	11,564	14	1,080
Assumption	12/31/2019	8,436	19	8,320	14	780
Experience	12/31/2020	15,232	18	16,185	14	1,512
Experience	12/31/2021	(47,348)	17	(50,485)	14	(4,704)
Experience	12/31/2022	8,013	16	8,664	14	804
Experience	12/31/2023	20,501	15	22,540	14	2,100
Experience	12/31/2024	21,784	15	24,494	15	2,172
<b>Total</b>				<b>\$ 115,881</b>		<b>\$ 10,680</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 13 - Non Union hired after 7/1/09

**Table 10-13: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 10/1/2026		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Experience	12/31/2023	\$ 15,218	15	\$ 16,733	14	\$ 1,560
Experience	12/31/2024	77,878	15	87,567	15	7,740
<b>Total</b>				<b>\$ 104,300</b>		<b>\$ 9,300</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## Division 14 - Gnrl hired on/aftr 9/18/17

**Table 10-14: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 10/1/2026		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2018	\$ 1,193	15	\$ 1,093	9	\$ 144
(Gain)/Loss	12/31/2019	6,187	15	5,922	10	720
Assumption	12/31/2019	539	15	475	10	60
Experience	12/31/2020	5,748	15	5,762	11	648
Experience	12/31/2021	14,633	15	15,158	12	1,596
Experience	12/31/2022	15,211	15	16,292	13	1,608
Experience	12/31/2023	21,100	15	23,197	14	2,160
Experience	12/31/2024	(33,667)	15	(37,855)	15	(3,348)
<b>Total</b>				<b>\$ 30,044</b>		<b>\$ 3,588</b>

<sup>1</sup> For each type of UAL (layer), this is the original balance as of the date the layer was established.

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

<sup>3</sup> This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

## GASB Statement No. 68 Information

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. GASB Statement No. 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at <http://www.mersofmich.com/>.

Actuarial Valuation Date:		12/31/2024
Measurement Date of the Total Pension Liability (TPL):		12/31/2024
At 12/31/2024, the following employees were covered by the benefit terms:		
Inactive employees or beneficiaries currently receiving benefits:		48
Inactive employees entitled to but not yet receiving benefits (including refunds):		8
Active employees:		<u>34</u>
		90
Total Pension Liability as of 12/31/2023 measurement date:	\$	14,985,466
Total Pension Liability as of 12/31/2024 measurement date:	\$	14,998,137
Service Cost for the year ending on the 12/31/2024 measurement date:	\$	222,343
Change in the Total Pension Liability due to:		
- Benefit changes <sup>1</sup> :	\$	0
- Differences between expected and actual experience <sup>2</sup> :	\$	(232,213)
- Changes in assumptions <sup>2</sup> :	\$	(43,311)
Average expected remaining service lives of all employees (active and inactive):		3

<sup>1</sup> A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

<sup>2</sup> Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Covered employee payroll (Needed for Required Supplementary Information):	\$	1,902,699
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Note: Covered employee payroll may differ from the GASB Statement No. 68 definition.

Sensitivity of the Net Pension Liability to changes in the discount rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Change in Net Pension Liability as of 12/31/2024:	\$ 1,507,547	\$ 0	\$ (1,292,118)

Note: The current discount rate shown for GASB Statement No. 68 purposes is higher than the MERS assumed rate of return. This is because for GASB Statement No. 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.



# Benefit Provision History

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

## 01 - General

10/1/2021	Participant Contribution Rate 5%
1/1/2021	Custom Wages
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
10/1/2019	Participant Contribution Rate 4%
10/1/2018	Participant Contribution Rate 3%
10/1/2017	Participant Contribution Rate 2%
12/1/2016	Service Credit Purchase Estimates - Yes
8/1/2014	Fiscal Month - October
12/1/2012	Exclude Temporary Employees requiring less than 6 months
7/1/1999	Benefit F55 (With 30 Years of Service)
7/1/1997	2.50% Multiplier (Capped at 80% of FAC)
7/1/1995	2.00% Multiplier
1/1/1989	1.50% Multiplier
1/1/1989	10 Year Vesting
1/1/1989	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1989	Member Contribution Rate 0.00%
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

## 10 - NonUnEmp

1/1/2021	Custom Wages
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
12/1/2016	Service Credit Purchase Estimates - Yes
8/1/2014	Fiscal Month - October
12/1/2012	Exclude Temporary Employees requiring less than 6 months
7/1/1999	Benefit F55 (With 30 Years of Service)
1/1/1998	10 Year Vesting
1/1/1998	2.50% Multiplier (Capped at 80% of FAC)
1/1/1998	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1998	Member Contribution Rate 0.00%
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

## 11 - Sr Adm Emp

12/1/2020	Non-Accelerated Amortization
12/31/2018	Accelerated to 5-year Amortization
12/1/2016	Service Credit Purchase Estimates - Yes
8/1/2014	Fiscal Month - October
12/1/2012	Exclude Temporary Employees requiring less than 6 months
9/1/2000	Benefit RS 50 (50% Post-Ret. Spouse Benefits)



## 11 - Sr Adm Emp

10/1/1999	E2 2.5% COLA for future retirees (10/01/1999)
10/1/1999	Member Contribution Rate 5.90%
7/1/1999	Benefit F55 (With 30 Years of Service)
3/1/1998	Benefit FAC-3 (3 Year Final Average Compensation)
3/1/1998	Member Contribution Rate 1.21%
1/1/1998	10 Year Vesting
1/1/1998	2.50% Multiplier (Capped at 80% of FAC)
1/1/1998	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1998	Member Contribution Rate 0.00%
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

## 12 - General hired after 7/1/09

1/1/2021	Custom Wages
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
12/1/2016	Service Credit Purchase Estimates - Yes
8/1/2014	Fiscal Month - October
12/1/2012	Exclude Temporary Employees requiring less than 6 months
7/1/2009	10 Year Vesting
7/1/2009	2.50% Multiplier (Capped at 80% of FAC)
7/1/2009	Benefit F55 (With 30 Years of Service)
7/1/2009	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/2009	Day of work defined as 8 Hours a Day for All employees.
7/1/2009	Member Contribution Rate 5.00%
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

## 13 - Non Union hired after 7/1/09

1/1/2021	Custom Wages
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
8/1/2020	Participant Contribution Rate 0%
12/1/2016	Service Credit Purchase Estimates - Yes
8/1/2014	Fiscal Month - October
12/1/2012	Exclude Temporary Employees requiring less than 6 months
7/1/2009	10 Year Vesting
7/1/2009	2.50% Multiplier (Capped at 80% of FAC)
7/1/2009	Benefit F55 (With 30 Years of Service)
7/1/2009	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/2009	Day of work defined as 8 Hours a Day for All employees.
7/1/2009	Member Contribution Rate 5.00%
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

## 14 - Gnrl hired on/aftr 9/18/17

1/1/2021	Custom Wages
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted



## 14 - Gnrl hired on/aftr 9/18/17

10/1/2017	10 Year Vesting
10/1/2017	2.00% Multiplier
10/1/2017	Benefit F55 (With 30 Years of Service)
10/1/2017	Benefit FAC-5 (5 Year Final Average Compensation)
10/1/2017	Day of Work defined as 10 8 hour days
10/1/2017	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
10/1/2017	Exclude Temporary Employees requiring less than 6 months
10/1/2017	Normal Retirement Age (DB) - 60
10/1/2017	Participant Contribution Rate 5%
10/1/2017	Service Credit Purchase Estimates - Yes
10/1/2017	Non Standard Compensation Definition
8/1/2014	Fiscal Month - October

# Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix. Some actuarial assumptions are specific to this municipality and its divisions. These are listed below.

## Increase in Final Average Compensation

Division	Increase Assumption
All Divisions	2.00%

## Miscellaneous and Technical Assumptions

Loads – None.

**Amortization Policy for Closed Not Linked Divisions:** The default funding policy for closed not linked divisions, including open divisions with zero active members, is to follow a non-accelerated amortization, where each closed period decreases by one year each year until the period is exhausted.

## Risk Commentary

Determination of the accrued liability, the employer contribution, and the funded ratio requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability, the actuarially determined contribution and the funded ratio that result from the differences between actual experience and the actuarial assumptions.

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

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

## Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

December 31,	Ratio of:				
	Market Value of Assets to Total Payroll	Actuarial Accrued Liability to Payroll	Actives to Retirees and Beneficiaries	Market Value of Assets to Benefit Payments	Net Cash Flow to Market Value of Assets (BOY)
2018	5.9	10.0	0.7	9.2	-3.4%
2019	6.3	9.9	0.7	10.0	-3.5%
2020	6.9	10.1	0.6	10.3	-3.5%
2021	7.1	9.6	0.7	11.1	-3.3%
2022	5.3	8.8	0.7	9.7	-3.4%
2023	4.9	8.0	0.7	9.8	-4.0%
2024	5.1	8.1	0.7	10.0	-3.9%

### Ratio of Market Value of Assets to Total Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

### Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

### Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

### Ratio of Market Value of Assets to Benefit Payments

The MERS' Actuarial Policy requires a total minimum contribution equal to the excess (if any) of three times the expected annual benefit payments over the projected market value of assets as of the participating municipality or court's Fiscal Year for which the contribution applies. The ratio of market value of assets to benefit payments as of the valuation date provides an indication of whether the division is at risk for triggering the minimum contribution rule in the near term. If the division triggers this minimum contribution rule, the required employer contributions could increase dramatically relative to previous valuations.

### Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

# State Reporting

The following information has been prepared to provide some of the information necessary to complete the Public Act 202 pension reporting requirements for the State of Michigan’s Local Government Retirement System Annual Report (Form No. 5572). Additional resources are available at [www.mersofmich.com](http://www.mersofmich.com) and on the State [website](#).

Form 5572		
Line Reference	Description	Result
<b>10</b>	<b>Membership as of December 31, 2024</b>	
11	Indicate number of active members	34
12	Indicate number of inactive members (excluding pending refunds)	3
13	Indicate number of retirees and beneficiaries	48
<b>14</b>	<b>Investment Performance for Calendar Year Ending December 31, 2024<sup>1</sup></b>	
15	Enter actual rate of return - prior 1-year period	7.72%
16	Enter actual rate of return - prior 5-year period	6.91%
17	Enter actual rate of return - prior 10-year period	6.62%
<b>18</b>	<b>Actuarial Assumptions</b>	
19	Actuarial assumed rate of investment return <sup>2</sup>	6.93%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Percent
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any <sup>3</sup>	15
22	Is each division within the system closed to new employees? <sup>4</sup>	No
<b>23</b>	<b>Uniform Assumptions</b>	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$10,112,771
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions <sup>5</sup>	\$15,353,152
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending September 30, 2025	\$686,256

<sup>1</sup> The Municipal Employees’ Retirement System’s investment performance has been provided to GRS from MERS Investment Staff and is included here for reporting purposes. The investment performance figures reported are net of investment expenses on a rolling calendar year basis for the previous 1-, 5-, and 10-year periods as required under PA 530.

<sup>2</sup> Net of administrative and investment expenses.

<sup>3</sup> Populated with the longest amortization period remaining in the amortization schedule, across all divisions in the plan. This is when each division and the plan in total is expected to reach 100% funded if all assumptions are met.

<sup>4</sup> If all divisions within the employer are closed, “yes.” If at least one division is open (including shadow divisions), “no.”

<sup>5</sup> Line 25 actuarial accrued liability is determined under PA 202 uniform assumptions which may differ from the valuation assumptions. In accordance with the March 4, 2025 memo on the selection of Uniform Assumptions, “[f]or retirement systems that utilize an investment rate of return that is less than 7.00% for funding purposes, the local government should use the lower investment rate of return for the uniform assumption as well.” In particular, the assumed rate of return for PA 202 purposes is 6.93%.