



RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD

**Actuarial Valuation as of July 1, 2014
For Fiscal Year 2015-2016**

Prepared by
Milliman, Inc.

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2014 for fiscal year 2015-2016. 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.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

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 impact 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
Consulting Actuary



Stephen Chykirda, ASA
Actuary

Section I - Executive Summary

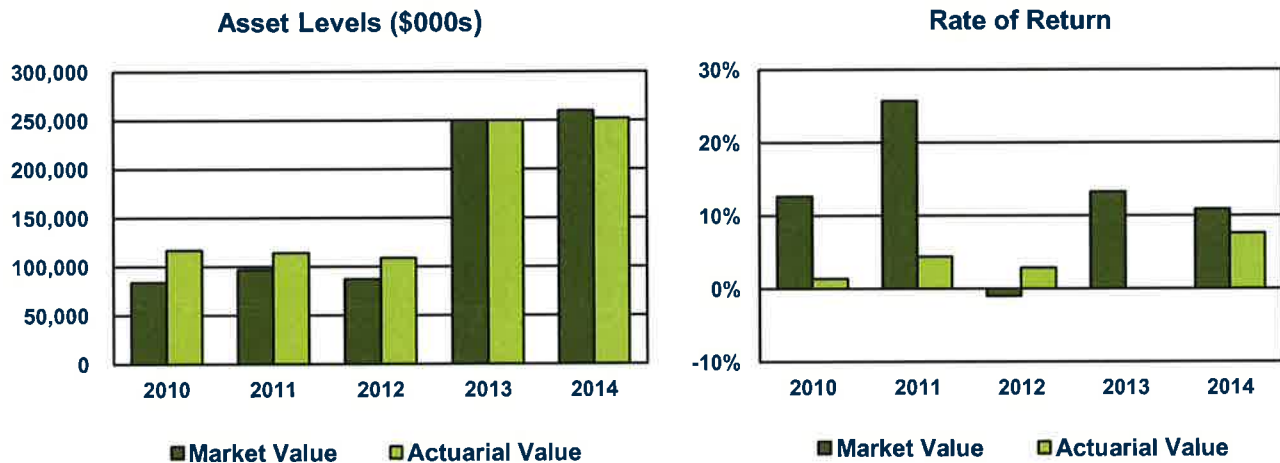
A. Highlights

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, 2013	\$250,104,928	\$250,104,928
Contributions	3,891,777	3,891,777
Investment Income	26,333,424	18,324,581
Benefit Payments and Administrative Expenses	(20,525,107)	(20,525,107)
Value as of July 1, 2014	259,805,022	251,796,179

For fiscal year 2013-2014, the plan's assets earned 10.89% on a Market Value basis. The actuarial assumption for this period was 6.75%; the result is an asset gain of \$10 million on a Market Value basis and a gain of \$2 million 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.



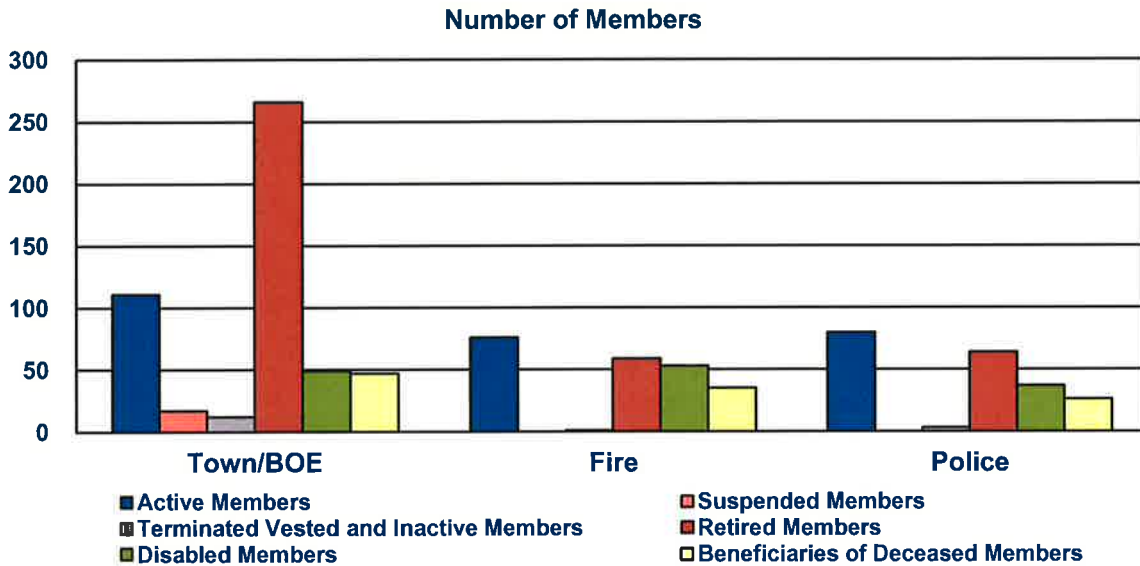
Please note that the Actuarial Value currently is less than the Market Value by \$8 million. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

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, 2013 to July 1, 2014, the overall membership decreased from 952 to 936. During this period, 21 active members retired, 17 members died without beneficiaries, and 2 members died with beneficiaries continuing to collect benefits.



The decline in payroll levels over the past several years reflects the decline in the number of active members.

Section I - Executive Summary

A. Highlights

Changes in Actuarial Methods or Assumptions

None.

Plan Changes

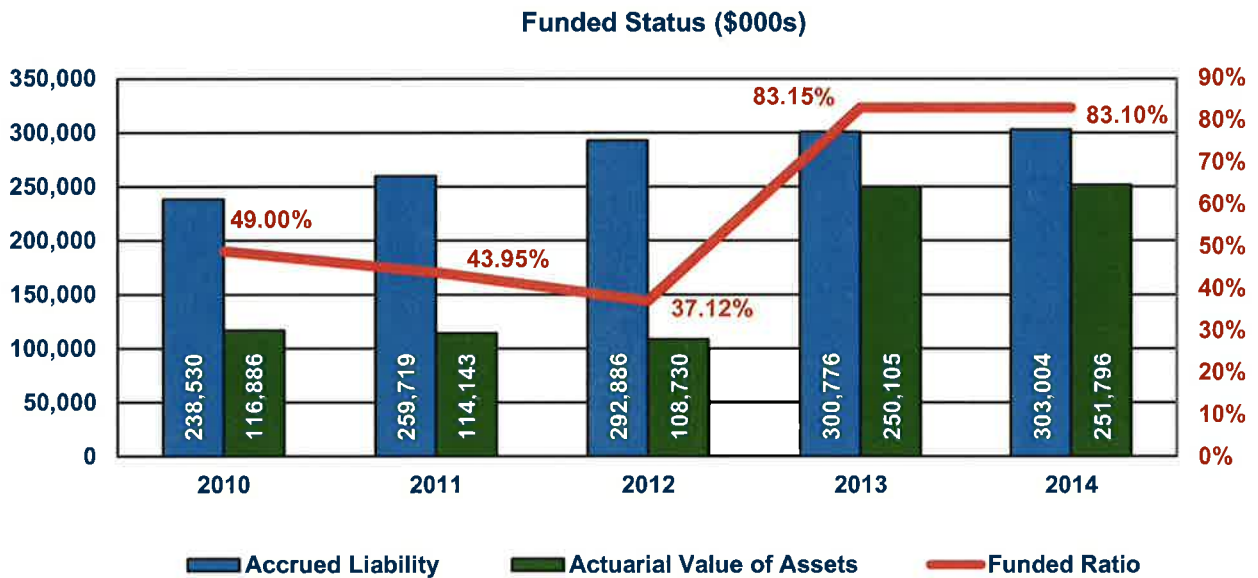
None.

Section I - Executive Summary

A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years. Since investment gains and losses are recognized gradually over a five year period, the market losses suffered in recent years were manifested by a gradual decline in the funded ratio. The large increase in assets for 2013 is due to the addition of the pension obligation bond proceeds.



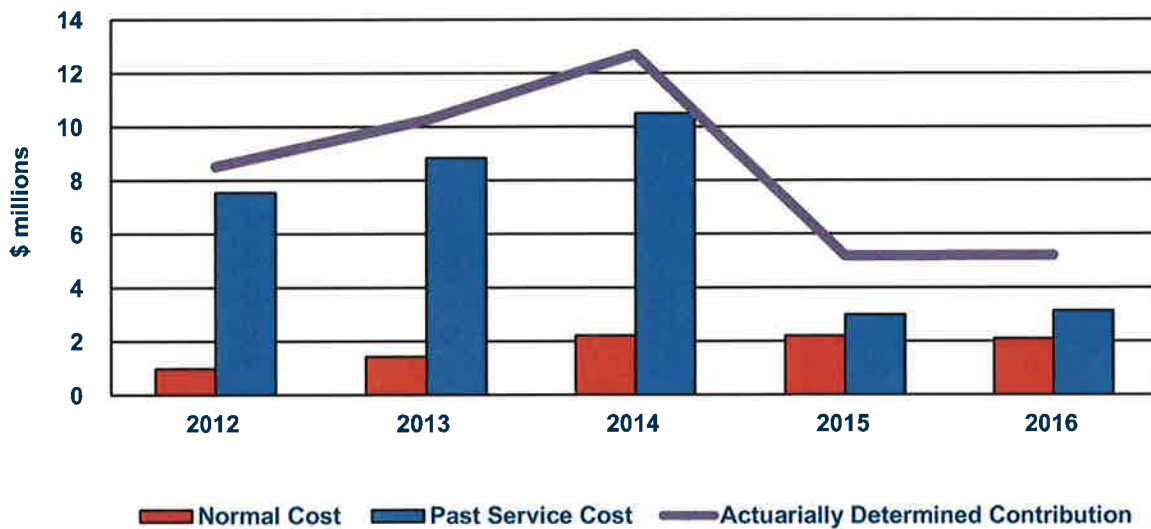
Section I - Executive Summary

A. Highlights

Actuarially Determined Contribution

The Actuarially Determined Contribution consists of the following pieces: a **Normal Cost** payment to fund the benefits earned each year, which includes administrative expenses and a **Past Service Cost** to gradually reduce any unfunded or surplus liability. 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.

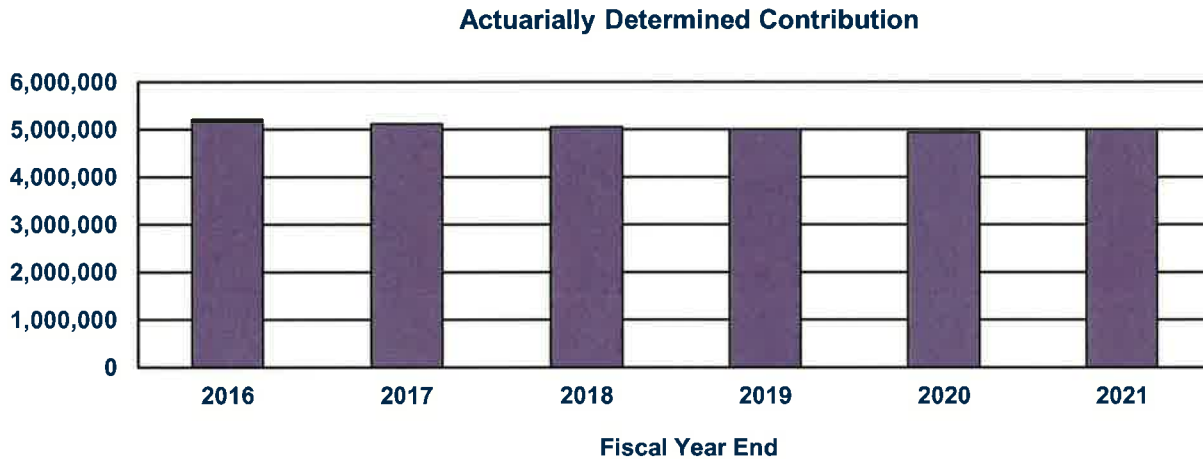
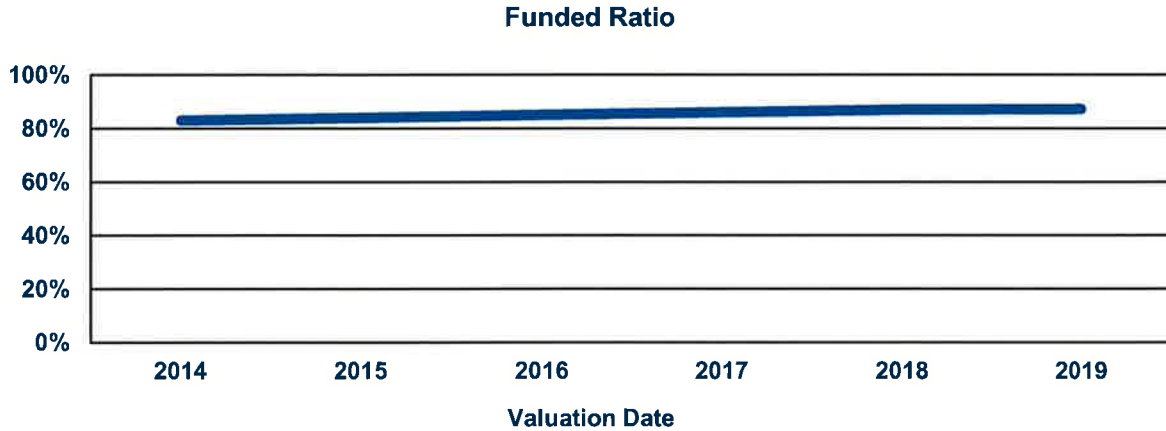


Section I - Executive Summary

A. Highlights

Long Range Forecast

Absent any future changes in the plan provisions or the actuarial methods and assumptions, we expect the funded ratio to gradually rise. Growth in the Actuarially Determined Contribution should be moderated by the gradual recognition of market gains from the past several years.



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, 2013	July 1, 2014
Active Members	288	267
Suspended Employees*	19	17
Terminated Vested Members	15	16
Members in Pay Status	630	636
Total Count	952	936
Payroll	\$22,237,216	\$20,317,247
Assets and Liabilities	July 1, 2013	July 1, 2014
Market Value of Assets	\$250,104,928	\$259,805,022
Actuarial Value of Assets	250,104,928	251,796,179
Accrued Liability for Active and Suspended Members	\$93,785,575	\$85,507,510
Accrued Liability for Terminated Vested Members	1,926,033	2,754,919
Accrued Liability for Members in Pay Status	205,064,210	214,741,520
Total Accrued Liability	300,775,818	303,003,949
Unfunded Accrued Liability	50,670,890	51,207,770
Funded Ratio	83.2%	83.1%
Actuarially Determined Contribution for Fiscal Year	2014-2015	2015-2016
Normal Cost	\$2,031,346	\$1,839,623
Administrative Expenses	166,000	246,000
Past Service Cost	2,988,213	3,126,456
Actuarially Determined Contribution	5,185,559	5,212,079

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

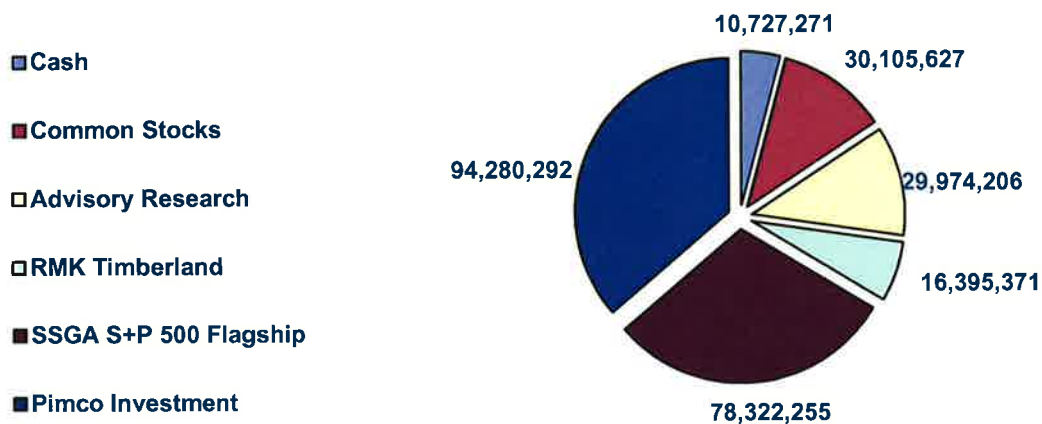
Section II - Plan Assets

A. Summary of Fund Transactions

	Total
Market Value as of July 1, 2013	\$250,104,928
Town contributions	2,209,000
Employee contributions	1,682,777
Investment income	26,753,754
Benefit payments and refunds	(20,286,007)
Investment and trustee expenses	(420,330)
Administrative expenses	(239,100)
Market Value as of July 1, 2014	259,805,022
Approximate Rate of Return	10.89%

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, effective July 1, 2013 the Actuarial Value of Assets is determined by recognizing market gains and losses over a five year period. The Actuarial Value of Assets as of July 1, 2014 is determined below.

1. Expected Market Value of Assets:																						
a. Market Value of Assets as of July 1, 2013		\$250,104,928																				
b. Employer and Employee Contributions		3,891,777																				
c. Benefit Payments and Administrative Expenses		(20,525,107)																				
d. Expected Investment Return Based on 6.75% Interest		<u>16,322,370</u>																				
e. Expected Market Value of Assets as of July 1, 2014		249,793,968																				
2. Actual Market Value of Assets as of July 1, 2014		259,805,022																				
3. Market Value (Gain)/Loss: (1e) - (2)		(10,011,054)																				
4. Delayed Recognition of Market (Gains)/Losses:																						
	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Plan Year End</th> <th style="text-align: left;">(Gain)/Loss</th> <th style="text-align: left;">Percent Not Recognized</th> <th style="text-align: left;">Amount Not Recognized</th> </tr> </thead> <tbody> <tr> <td>06/30/2014</td> <td style="text-align: right;">(\$10,011,054)</td> <td style="text-align: right;">80%</td> <td style="text-align: right;">(\$8,008,843)</td> </tr> <tr> <td>06/30/2013</td> <td style="text-align: right;">0</td> <td style="text-align: right;">60%</td> <td style="text-align: right;">0</td> </tr> <tr> <td>06/30/2012</td> <td style="text-align: right;">0</td> <td style="text-align: right;">40%</td> <td style="text-align: right;">0</td> </tr> <tr> <td>06/30/2011</td> <td style="text-align: right;">0</td> <td style="text-align: right;">20%</td> <td style="text-align: right;"><u>0</u></td> </tr> </tbody> </table>	Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized	06/30/2014	(\$10,011,054)	80%	(\$8,008,843)	06/30/2013	0	60%	0	06/30/2012	0	40%	0	06/30/2011	0	20%	<u>0</u>	(8,008,843)
Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized																			
06/30/2014	(\$10,011,054)	80%	(\$8,008,843)																			
06/30/2013	0	60%	0																			
06/30/2012	0	40%	0																			
06/30/2011	0	20%	<u>0</u>																			
5. Actuarial Value as of July 1, 2014: (2) + (4)		251,796,179																				
6. Approximate Rate of Return on Actuarial Value		7.58%																				
7. Actuarial Value (Gain)/Loss		(2,006,517)																				

Milliman Actuarial Valuation

**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 25 years starting on July 1, 2010.

	As of July 1, 2013				As of July 1, 2014			
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
1. Accrued Liability								
Active Members	\$39,606,561	\$23,938,383	\$30,240,631	\$93,785,575	\$38,124,838	\$23,599,179	\$23,783,493	\$85,507,510
Terminated Vested Members	1,537,736	135,829	252,468	1,926,033	1,695,203	134,505	925,211	2,754,919
Retired Members	69,408,137	40,198,705	42,896,573	152,503,415	71,162,889	41,943,251	50,449,892	163,556,032
Disabled Members	10,825,215	19,421,833	8,853,770	39,100,818	10,389,947	18,453,680	8,969,188	37,812,815
Beneficiaries of Deceased Members	4,955,843	5,683,820	2,820,314	13,459,977	5,135,973	5,560,598	2,676,102	13,372,673
Total	126,333,492	89,378,570	85,063,756	300,775,818	126,508,850	89,691,213	86,803,886	303,003,949
2. Actuarial Value of Assets	105,050,429	74,321,204	70,733,295	250,104,928	105,128,811	74,533,368	72,134,000	251,796,179
3. Unfunded Accrued Liability: (1) - (2)	21,283,063	15,057,366	14,330,461	50,670,890	21,380,039	15,157,845	14,669,886	51,207,770
4. Funded Ratio: (2) / (1)	83.2%	83.2%	83.2%	83.2%	83.1%	83.1%	83.1%	83.1%
5. Amortization Period	22	22	22	22	21	21	21	21
6. Amortization Growth Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
7. Past Service Cost	1,255,125	887,978	845,110	2,988,213	1,305,344	925,452	895,660	3,126,456

Milliman Actuarial Valuation

**Section III - Development of Contribution
B. Actuarially Determined Contribution**

	2014-2015			2015-2016				
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
1. Total Normal Cost	\$904,539	\$1,481,275	\$1,352,959	\$3,738,773	\$812,694	\$1,435,304	\$1,137,916	\$3,385,914
2. Expected Employee Contributions	542,238	617,333	547,856	1,707,427	486,729	597,387	462,175	1,546,291
3. Net Normal Cost: (1) - (2)	362,301	863,942	805,103	2,031,346	325,965	837,917	675,741	1,839,623
4. Administrative Expenses	29,607	70,601	65,792	166,000	43,589	112,049	90,362	246,000
5. Past Service Cost (see Section IIA)	1,255,125	887,978	845,110	2,988,213	1,305,344	925,452	895,660	3,126,456
6. Actuarially Determined Contribution: (3) + (4) + (5), but not less than \$0	1,647,033	1,822,521	1,716,005	5,185,559	1,674,898	1,875,418	1,661,763	5,212,079
7. Covered Payroll	7,100,479	7,811,595	7,325,142	22,237,216	6,598,850	7,438,595	6,279,802	20,317,247
8. Contribution as a % of payroll	23.2%	23.3%	23.4%	23.3%	25.4%	25.2%	26.5%	25.7%

Milliman Actuarial Valuation

**Section III - Development of Contribution
C. Long Range Forecast**

This forecast is based on the results of the July 1, 2014 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return 6.75% on a market value basis each year, and there are no future 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.

Valuation Date	Values as of the Valuation Date				Cash Flows Projected to the Following Fiscal Year						
	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year	Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows		
7/1/2014	\$303,003,949	\$251,796,179	\$51,207,770	83.1%	2016	\$5,212,079	\$1,500,016	(\$21,328,938)	(\$14,616,843)		
7/1/2015	304,917,000	256,349,000	48,568,000	84.1%	2017	5,123,000	1,464,000	(21,581,000)	(14,994,000)		
7/1/2016	306,441,000	260,688,000	45,753,000	85.1%	2018	5,060,000	1,403,000	(21,823,000)	(15,360,000)		
7/1/2017	307,734,000	264,786,000	42,948,000	86.0%	2019	5,011,000	1,353,000	(22,069,000)	(15,705,000)		
7/1/2018	308,844,000	268,640,000	40,204,000	87.0%	2020	4,939,000	1,328,000	(22,250,000)	(15,983,000)		
7/1/2019	309,672,000	270,252,000	39,420,000	87.3%	2021	5,009,000	1,298,000	(22,383,000)	(16,076,000)		
7/1/2020	310,265,000	271,677,000	38,588,000	87.6%	2022	5,112,000	1,248,000	(22,588,000)	(16,228,000)		
7/1/2021	310,671,000	273,093,000	37,578,000	87.9%	2023	5,190,000	1,210,000	(22,772,000)	(16,372,000)		
7/1/2022	310,787,000	274,437,000	36,350,000	88.3%	2024	5,278,000	1,168,000	(22,985,000)	(16,539,000)		
7/1/2023	310,683,000	275,714,000	34,969,000	88.7%	2025	5,334,000	1,121,000	(23,182,000)	(16,727,000)		
7/1/2024	310,183,000	276,895,000	33,288,000	89.3%	2026	5,385,000	1,072,000	(23,353,000)	(16,896,000)		
7/1/2025	309,430,000	277,952,000	31,478,000	89.8%	2027	5,453,000	1,032,000	(23,557,000)	(17,072,000)		
7/1/2026	308,310,000	278,895,000	29,415,000	90.5%	2028	5,509,000	966,000	(23,677,000)	(17,202,000)		
7/1/2027	306,683,000	279,709,000	26,974,000	91.2%	2029	5,565,000	906,000	(23,900,000)	(17,429,000)		
7/1/2028	304,778,000	280,432,000	24,346,000	92.0%	2030	5,562,000	855,000	(23,930,000)	(17,513,000)		
7/1/2029	302,382,000	280,958,000	21,424,000	92.9%	2031	5,592,000	771,000	(24,187,000)	(17,824,000)		
7/1/2030	299,775,000	281,423,000	18,352,000	93.9%	2032	5,583,000	662,000	(24,457,000)	(18,212,000)		
7/1/2031	296,491,000	281,585,000	14,906,000	95.0%	2033	5,550,000	586,000	(24,640,000)	(18,504,000)		
7/1/2032	292,401,000	281,344,000	11,057,000	96.2%	2034	5,396,000	483,000	(25,031,000)	(19,152,000)		
7/1/2033	287,651,000	280,773,000	6,878,000	97.6%	2035	4,975,000	396,000	(25,219,000)	(19,848,000)		

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, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 25 years from July 1, 2010
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	6.75%
Projected Salary Increases	6.00% to 3.00% based on age
Amortization Growth Rate	4.00%
Inflation	2.50%
Cost-of-Living Adjustments	None

Milliman Actuarial Valuation

**Section IV - Accounting Information
B. Historical Schedule of Funding Progress**

Actuarial Valuation Date	(1) For Fiscal Year	(2) Actuarial Value of Assets	(3) Actuarial Accrued Liability (AAL)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Funded Ratio (1) / (2)	(6) UAAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2006	06/30/2008	\$11,052,753	\$204,336,960	\$193,284,207	5.4%	776.8%
07/01/2007	06/30/2009	136,089,974	208,934,552	72,844,578	65.1%	297.4%
07/01/2008	06/30/2010	132,753,542	225,549,354	92,795,812	58.9%	386.6%
07/01/2009	06/30/2011	123,651,853	232,658,513	109,006,660	53.1%	449.7%
07/01/2010	06/30/2012	116,886,092	238,530,403	121,644,311	49.0%	507.0%
07/01/2011	06/30/2013	114,143,029	259,719,466	145,576,437	43.9%	618.1%
07/01/2012	06/30/2014	108,730,191	292,885,687	184,155,496	37.1%	808.7%
07/01/2013	06/30/2015	250,104,928	300,775,818	50,670,890	83.2%	227.9%
07/01/2014	06/30/2016	251,796,179	303,003,949	51,207,770	83.1%	252.0%

Note: Through July 1, 2006, the Actuarial Value of Assets shown above is based on the Market Value of Assets excluding the proceeds of the general obligation pension bond issue of August 1998. Starting with July 1, 2007, the pension based bond proceeds are included in the Actuarial Value of Assets.

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)
2007	\$5,086,832	\$111,651,079 *	(\$106,564,247)	\$26,481,954	422%
2008	5,646,579	5,669,932	(23,353)	24,881,992	23%
2009	5,622,712	5,622,712	0	24,494,790	23%
2010	7,233,412	7,233,452	(40)	24,002,108	30%
2011	8,526,398	8,526,398	(0)	24,238,011	35%
2012	8,521,128	8,493,774	27,354	23,991,550	35%
2013	10,264,676	169,778,500 **	(159,513,824)	23,551,913	721%
2014	12,720,477	2,209,000	10,511,477	22,770,569	10%
2015	5,185,559	TBD	TBD	22,237,216	TBD
2016	5,212,079	TBD	TBD	20,317,247	TBD

* Includes \$5,086,900 Town contribution plus the deposit of the proceeds of the general obligation pension bond issue of August 1998 into the pension trust.

** Includes \$9,778,500 Town contribution plus the deposit of the proceeds of the \$160 million pension obligation bond issue of 2013 into the pension trust.

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, 2013	As of July 1, 2014
1. Value of Vested Benefits		
Active Members	\$58,976,590	\$53,386,993
Terminated Vested Members	1,926,033	2,754,919
Retired Members	152,503,415	163,556,032
Disabled Members	39,100,818	37,812,815
Beneficiaries of Deceased Members	<u>13,459,977</u>	<u>13,372,673</u>
Total Value of Vested Benefits	265,966,833	270,883,432
2. Value of Non-Vested Benefits	12,318,333	12,021,267
3. Total Value of Accrued Benefits: (1) + (2)	278,285,167	282,904,699
4. Market Value of Assets	250,104,928	259,805,022
5. Vested Funded Ratio: (4) / (1)	94.0%	95.9%
6. Accrued Funded Ratio: (4) / (3)	89.9%	91.8%

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

Increase/(Decrease) during the 2013-2014 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$18,110,775
Benefits Accumulated/(Forfeited)	6,794,764
Benefit Payments	(20,286,007)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	4,619,532

Value of Accrued Plan Benefits:

July 1, 2014	\$282,904,699
July 1, 2013	278,285,167
Net Increase/(Decrease)	4,619,532

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	Sus- pended	Term. Vested	Retirees	Disabled	Bene- ficiaries	Total
Count as of July 1, 2013	288	19	15	379	145	106	952
Terminated, not vested	-	-	-	-	-	-	0
Terminated, benefits due	(2)	-	2	-	-	-	0
Retired	(18)	(1)	(1)	20	-	-	0
Disability	(1)	-	-	-	1	-	0
Died, with beneficiary	-	-	-	(2)	-	2	0
Died, no beneficiary	-	(1)	-	(8)	(7)	-	(16)
New member	-	-	-	-	-	-	0
New beneficiary	-	-	-	-	-	-	0
Lump sum paid	-	-	-	-	-	-	0
Rehired	-	-	-	-	-	-	0
New QDRO	-	-	-	-	-	-	0
Correction	-	-	-	-	-	-	0
Count as of July 1, 2014	267	17	16	389	139	108	936

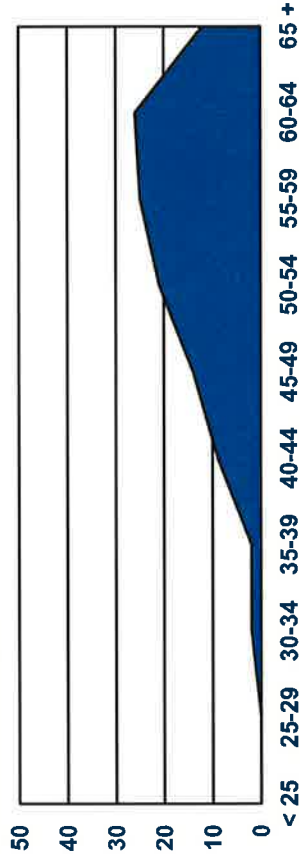
Section V - Membership Data
B. Statistics of Active Membership

	As of July 1, 2013	As of July 1, 2014
Number of Active Members		
Town/BOE	121	111
Fire	79	76
Police	88	80
Total	288	267
Total Compensation		
Town/BOE	\$7,151,177	\$6,598,850
Fire	7,811,595	7,438,595
Police	7,325,142	6,279,802
Total	22,237,216	20,317,247
Average Compensation		
Town/BOE	\$59,101	\$59,449
Fire	98,881	97,876
Police	83,240	78,498
Total	77,213	76,095
Average Age		
Town/BOE	54.4	55.1
Fire	41.2	41.6
Police	42.9	43.2
Total	47.3	47.7
Average Service		
Town/BOE	20.8	21.5
Fire	11.9	12.3
Police	14.0	13.7
Total	16.3	16.5
Number of Suspended Members		
Town/BOE	17	17
Fire	0	0
Police	2	0
Total	19	17

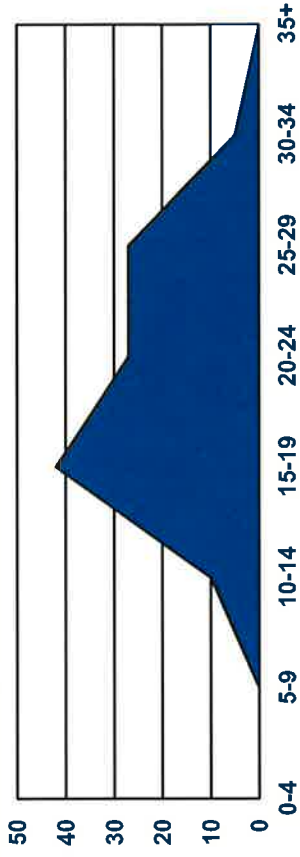
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2014 - Count - Town/BOE

Age	Years of Service											Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+					
< 25	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	2	0	0	0	0	0	0	0	0	2
35-39	0	0	1	1	0	0	0	0	0	0	0	0	2
40-44	0	0	2	5	2	0	0	0	0	0	0	0	9
45-49	0	0	0	4	2	8	0	0	0	0	0	0	14
50-54	0	0	2	12	4	2	1	0	0	0	0	0	21
55-59	0	0	1	10	9	5	0	0	0	0	0	0	25
60-64	0	0	3	4	8	7	4	0	0	0	0	0	26
65 +	0	0	1	4	2	5	0	0	0	0	0	0	12
Total	0	0	10	42	27	27	5	0	0	0	0	0	111

Distribution By Age



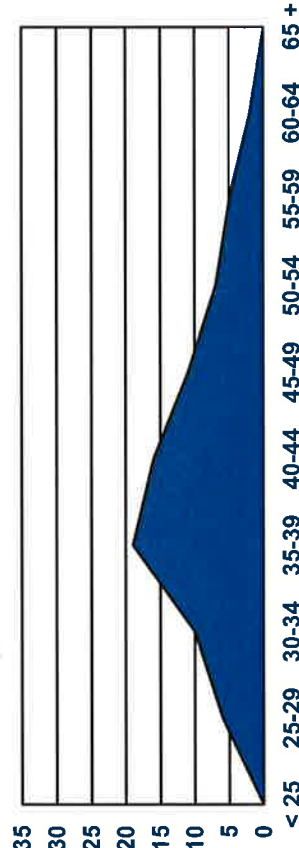
Distribution by Years of Service



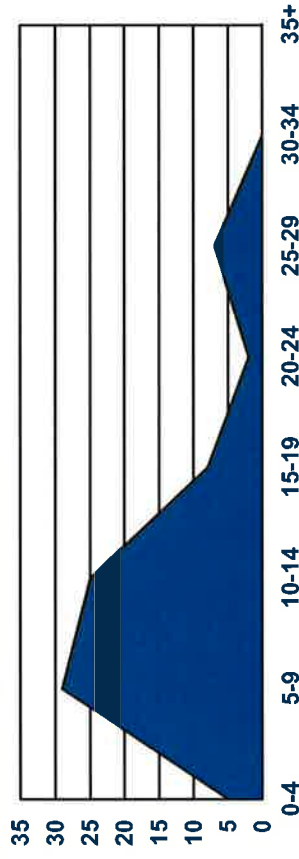
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2014 - Count - Fire

Age	Years of Service										Total
	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	0	0
25-29	2	4	0	0	0	0	0	0	0	0	6
30-34	2	7	1	0	0	0	0	0	0	0	10
35-39	1	9	9	0	0	0	0	0	0	0	19
40-44	0	5	5	6	0	0	0	0	0	0	16
45-49	0	3	4	1	1	2	0	0	0	0	11
50-54	0	1	2	1	0	3	0	0	0	0	7
55-59	0	0	3	0	1	1	0	0	0	0	5
60-64	0	0	1	0	0	1	0	0	0	0	2
65 +	0	0	0	0	0	0	0	0	0	0	0
Total	5	29	25	8	2	7	0	0	0	0	76

Distribution By Age



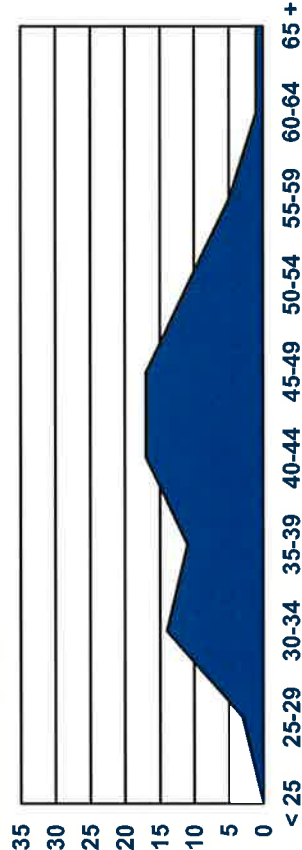
Distribution by Years of Service



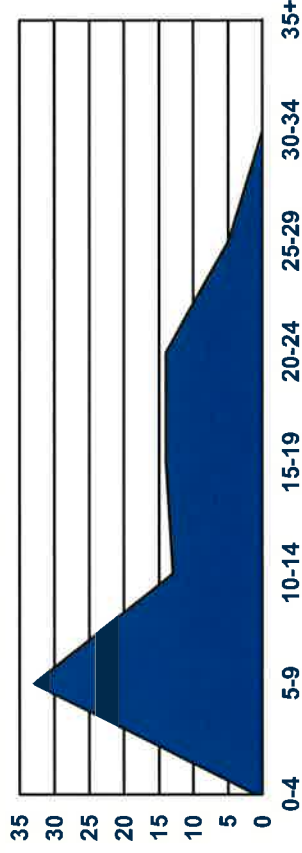
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2014 - Count - Police

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	3	0	0	0	0	0	0	0	0	3
30-34	0	14	0	0	0	0	0	0	0	0	14
35-39	1	7	3	0	0	0	0	0	0	0	11
40-44	0	6	5	6	0	0	0	0	0	0	17
45-49	0	2	4	4	5	2	0	0	0	0	17
50-54	0	1	0	3	6	1	0	0	0	0	11
55-59	0	0	1	0	2	2	0	0	0	0	5
60-64	0	0	0	1	0	0	0	0	0	0	1
65 +	0	0	0	0	1	0	0	0	0	0	1
Total	1	33	13	14	14	5	0	0	0	80	

Distribution By Age



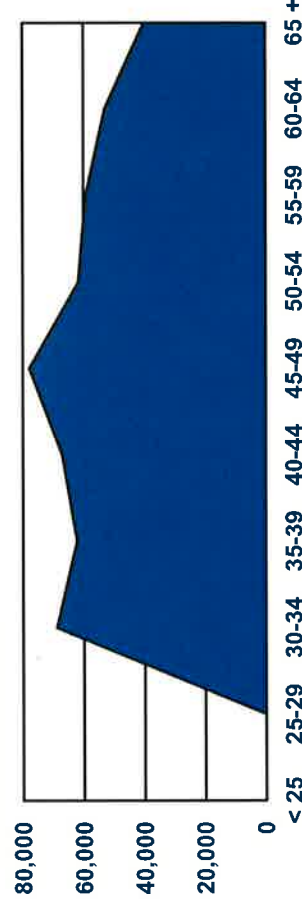
Distribution by Years of Service



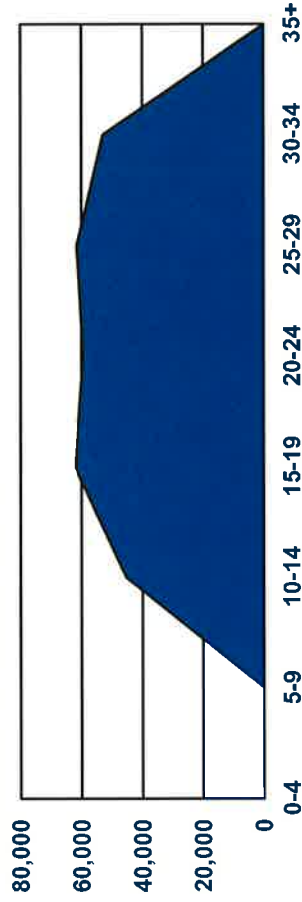
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2014 - Average Pay - Town/BOE

Age	Years of Service											Total			
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	35+	35+				
< 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	68,983	0	0	0	0	0	0	0	0	0	0	68,983
35-39	0	0	47,783	76,877	0	0	0	0	0	0	0	0	0	0	62,330
40-44	0	0	70,331	77,979	36,995	0	0	0	0	0	0	0	0	0	67,171
45-49	0	0	0	72,075	87,522	78,516	0	0	0	0	0	0	0	0	77,962
50-54	0	0	26,655	59,462	76,039	85,311	55,134	0	0	0	0	0	0	0	61,751
55-59	0	0	27,323	50,311	65,979	71,641	0	0	0	0	0	0	0	0	59,298
60-64	0	0	52,893	66,854	48,983	50,238	52,330	0	0	0	0	0	0	0	53,036
65 +	0	0	24,956	58,846	33,553	30,921	0	0	0	0	0	0	0	0	40,171
Total	0	0	45,271	62,202	59,480	61,601	52,891	0	59,449	0	0	0	0	0	59,449

Distribution By Age



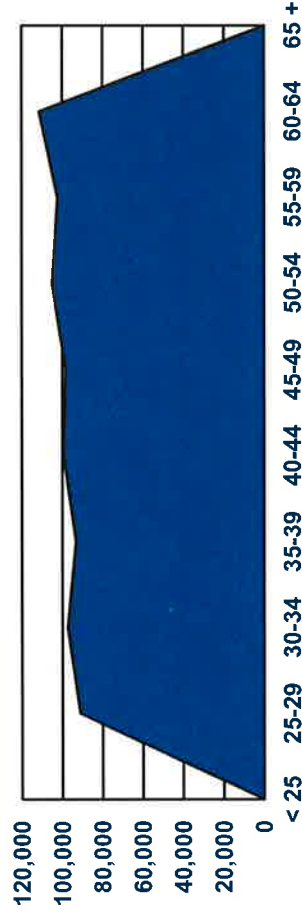
Distribution by Years of Service



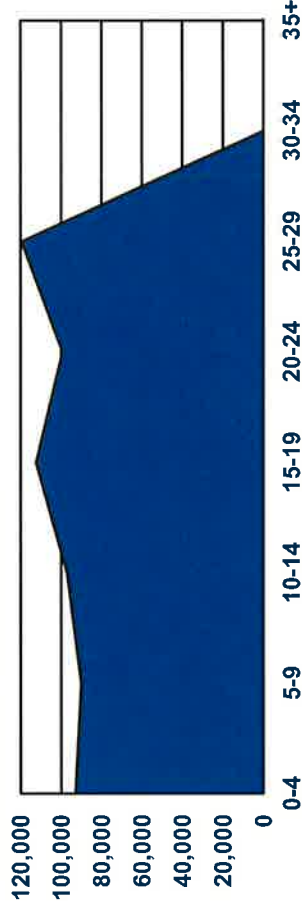
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2014 - Average Pay - Fire

Age	Years of Service										Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total		
<25	0	0	0	0	0	0	0	0	0	0	0	0
25-29	91,723	91,031	0	0	0	0	0	0	0	0	0	91,261
30-34	94,337	96,384	110,727	0	0	0	0	0	0	0	0	97,409
35-39	92,493	90,934	95,851	0	0	0	0	0	0	0	0	93,345
40-44	0	80,167	98,368	116,376	0	0	0	0	0	0	0	99,433
45-49	0	94,134	92,270	109,288	97,189	112,160	0	0	0	0	0	98,389
50-54	0	72,071	101,563	91,993	0	122,864	0	0	0	0	0	105,112
55-59	0	0	92,194	0	101,593	133,380	0	0	0	0	0	102,311
60-64	0	0	112,156	0	0	110,679	0	0	0	0	0	111,418
65 +	0	0	0	0	0	0	0	0	0	0	0	0
Total	92,923	90,087	97,047	112,442	99,391	119,567	0	0	0	0	0	97,876

Distribution By Age



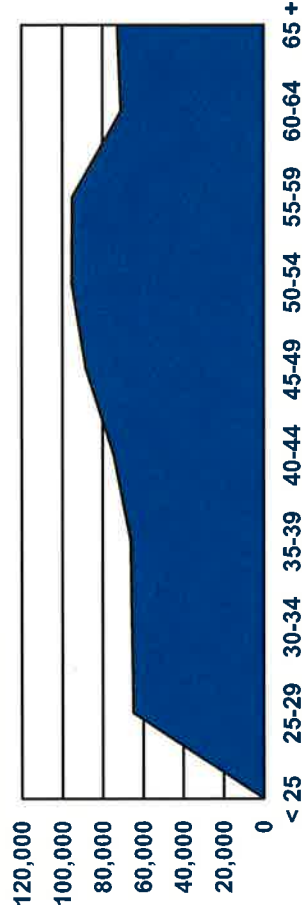
Distribution by Years of Service



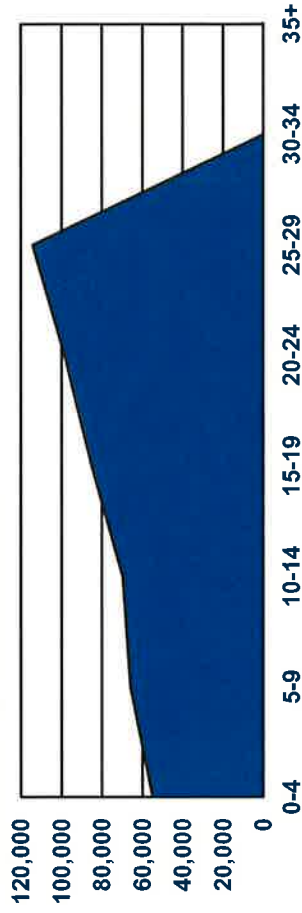
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2014 - Average Pay - Police

Age	Years of Service										Total
	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	0	0
25-29	0	64,961	0	0	0	0	0	0	0	0	64,961
30-34	0	65,540	0	0	0	0	0	0	0	0	65,540
35-39	55,031	66,415	69,663	0	0	0	0	0	0	0	66,266
40-44	0	67,121	70,621	85,480	0	0	0	0	0	0	74,630
45-49	0	64,961	69,701	84,999	108,872	104,461	0	0	0	0	88,353
50-54	0	64,961	0	89,422	96,273	138,353	0	0	0	0	95,383
55-59	0	0	64,961	0	92,819	112,133	0	0	0	0	94,973
60-64	0	0	0	70,964	0	0	0	0	0	0	70,964
65 +	0	0	0	0	72,679	0	0	0	0	0	72,679
Total	55,031	65,908	69,682	85,151	98,594	114,308	0	0	0	0	78,498

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Statistics of Inactive Membership

	As of July 1, 2013				As of July 1, 2014			
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
Terminated Vested Members								
Number	12	1	2	15	12	1	3	16
Total Annual Benefit	\$146,782	\$10,379	\$28,848	\$186,009	\$163,678	\$10,379	\$81,207	\$255,264
Average Annual Benefit	12,232	10,379	14,424	12,401	13,640	10,379	27,069	15,954
Average Age	50.4	51.0	43.5	49.5	50.3	52.0	45.7	49.5
Retired Members								
Number	265	57	57	379	266	59	64	389
Total Annual Benefit	\$6,683,241	\$3,485,231	\$3,631,918	\$13,800,390	\$6,878,107	\$3,654,299	\$4,218,805	\$14,751,211
Average Annual Benefit	25,220	61,144	63,718	36,413	25,858	61,937	65,919	37,921
Average Age	69.9	63.9	63.5	68.0	70.2	64.2	62.6	68.0
Disabled Members								
Number	50	58	37	145	49	53	37	139
Total Annual Benefit	\$1,260,539	\$2,085,978	\$1,046,042	\$4,392,559	\$1,235,140	\$1,953,449	\$1,057,771	\$4,246,360
Average Annual Benefit	25,211	35,965	28,271	30,294	25,207	36,858	28,588	30,549
Average Age	65.9	67.5	68.3	67.1	67.1	66.9	68.2	67.3
Beneficiaries of Deceased Members								
Number	43	35	28	106	47	35	26	108
Total Annual Benefit	\$577,603	\$658,277	\$359,313	\$1,595,193	\$627,670	\$632,854	\$338,506	\$1,599,030
Average Annual Benefit	13,433	18,808	12,833	15,049	13,355	18,082	13,019	14,806
Average Age	75.8	74.5	78.8	76.2	76.3	74.8	78.3	76.3

Section V - Membership Data
F. Distribution of Inactive Members as of July 1, 2014
Town/BOE

	Age	Number	Annual Benefits
Terminated Vested Members	< 30	0	\$0
	30 - 39	4	65,990
	40 - 49	8	97,688
	50 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	12	163,678
Retired Members	< 50	0	\$0
	50 - 59	31	1,027,809
	60 - 69	99	3,086,196
	70 - 79	89	1,967,235
	80 - 89	41	737,637
	90 +	6	59,229
	Total	266	6,878,106
Disabled Retirees	< 50	3	\$64,528
	50 - 59	9	219,036
	60 - 69	15	317,467
	70 - 79	15	426,078
	80 - 89	7	208,032
	90 +	0	0
	Total	49	1,235,141
Beneficiaries	< 50	0	\$0
	50 - 59	3	39,694
	60 - 69	11	206,092
	70 - 79	13	130,494
	80 - 89	14	204,116
	90 +	6	47,273
	Total	47	627,669

Section V - Membership Data
F. Distribution of Inactive Members as of July 1, 2014
Fire

	Age	Number	Annual Benefits
Terminated Vested Members	< 30	0	\$0
	30 - 39	0	0
	40 - 49	0	0
	50 - 59	1	10,379
	60 - 64	0	0
	65 +	0	0
	Total	1	10,379
Retired Members	< 50	1	\$68,272
	50 - 59	21	1,506,555
	60 - 69	21	1,373,954
	70 - 79	10	458,705
	80 - 89	6	246,811
	90 +	0	0
	Total	59	3,654,297
Disabled Retirees	< 50	6	\$311,555
	50 - 59	10	490,517
	60 - 69	12	536,348
	70 - 79	17	477,008
	80 - 89	8	138,019
	90 +	0	0
	Total	53	1,953,447
Beneficiaries	< 50	0	\$0
	50 - 59	6	138,858
	60 - 69	6	157,052
	70 - 79	10	144,729
	80 - 89	9	139,003
	90 +	4	53,212
	Total	35	632,854

Section V - Membership Data
F. Distribution of Inactive Members as of July 1, 2014
Police

	Age	Number	Annual Benefits
Terminated Vested Members	< 30	0	\$0
	30 - 39	0	0
	40 - 49	3	81,206
	50 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	3	81,206
Retired Members	< 50	7	\$528,906
	50 - 59	19	1,527,148
	60 - 69	19	1,313,418
	70 - 79	16	802,508
	80 - 89	3	46,827
	90 +	0	0
	Total	64	4,218,807
Disabled Retirees	< 50	4	\$116,989
	50 - 59	5	146,086
	60 - 69	9	263,263
	70 - 79	9	272,391
	80 - 89	10	259,046
	90 +	0	0
	Total	37	1,057,775
Beneficiaries	< 50	0	\$0
	50 - 59	1	14,747
	60 - 69	6	113,952
	70 - 79	4	54,209
	80 - 89	11	104,972
	90 +	4	50,627
	Total	26	338,507

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, 2010, the amortization period is 25 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

For the July 1, 2013 valuation, the **Actuarial Value of Assets** was set equal to the Market Value of Assets. Thereafter, the Actuarial Value of Assets is determined by recognizing asset gains and losses in equal installments over five years.

Appendix B - Actuarial Assumptions

Interest	6.75% per annum (net of investment expenses).
Amortization Growth Rate	4.00%
Inflation	The Consumer Price Index will increase 2.5% annually.

Salary Scale

Police and Fire	4.00%
Town/Board of Education	Based on the table below:

Age	Rate
<25	6.00%
25-29	5.50%
30-34	5.25%
35-39	5.00%
40-44	4.75%
45-49	4.50%
50-54	4.00%
55-59	3.75%
60-64	3.50%
65+	3.00%

Pre-Retirement Mortality	1994 Group Annuitant Mortality Table. 80% of deaths among active Firefighters and Police are assumed to occur in the line of duty. 5% of deaths among all others are assumed to occur in the line of duty.
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Post-Retirement Healthy Mortality	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA. This table recognizes future mortality improvements.
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Post-Retirement Disabled Mortality	1983 Railroad Retirement Board Disabled Mortality Table.
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Turnover

Police and Fire	10% for the first five years of service; none thereafter.
Town/Board of Education	Per the Crocker-Sarason T7 Table.

Age	Rate
25	9.68%
30	9.31%
35	8.72%
40	7.77%
45	6.38%
50	4.25%

Appendix B - Actuarial Assumptions

Retirement

Police and Fire	Years of Service	Rate
	25	20%
	26	20%
	27-29	10%
	30	20%
	31	10%
	32	35%
	33+	30%
	Age 65	100%

Town/Board of Education	Age	Rate
	<55	2%
	55	15%
	56-57	2%
	58-59	10%
	60	10%
	61	10%
	62-64	35%
	65	35%
	66-69	35%
	70	100%

Suspended employees whose DB plan benefits have been frozen and who are currently covered by the Town's 401(a) plan are assumed to retire per the rates shown above.

Expenses Actual administrative expenses paid in the prior year, increased by 3% and rounded to the nearest \$1,000.

Percent Married 80%

Age of Spouse Females are assumed to be three years younger than their male spouses

Load Factor This factor anticipates cashout payments at termination that are included in Average Annual Compensation: 14% for Police hired prior to 10/17/1996. 9% for Firefighters and Supervisors hired prior to 4/1/1985, Public Works hired prior to 7/1/1988, Town employees hired prior to 7/1/1985, Custodians and Secretaries hired prior to 11/1/2000, and Paraprofessionals hired prior to 7/1/2002.

Appendix B - Actuarial Assumptions

Pre-Retirement Disability

Rates for Police, Firefighters and Public Works:

Age	Male	Female
25	0.149	0.182
30	0.170	0.238
35	0.212	0.350
40	0.296	0.473
45	0.490	0.677
50	0.901	1.068
55	1.696	1.645
60	2.594	2.097

50% of disabilities are assumed to occur in the line of duty.

Rates for all others:

Age	Rate
25	0.075
30	0.084
35	0.096
40	0.115
45	0.162
50	0.240
55	0.400
60	0.843

5% of disabilities are assumed to occur in the line of duty.

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.

Effective Date	April 1, 1948
Eligibility	Full time employees excluding: Employees working less than 20 hours per week, Officers elected by popular vote, Employees accruing benefits under State Teachers Retirement Plan, Members of the Supervisors, Town Hall and Public Works units hired after September 13, 1999 are not eligible. Board of Education, Secretaries and Custodians hired after July 1, 2000, Nurses hired after November 11, 2000 and Paraprofessionals hired after July 1, 2002 are not eligible. Police hired after July 1, 2010 are not eligible. Firefighters hired after July 1, 2012 are not eligible.
Town/Board of Education	All eligible employees including Public Works, Town Hall, Supervising, and Board of Education, but excluding Police and Firefighters.
Compensation	Includes, but is not limited to, basic salary, longevity pay, overtime/callback pay, cashout of certain unused days, and pay for acting in a higher classification. Police Plan B is limited to basic salary.
Average Annual Compensation	
Town, Board of Education, Paraprofessionals and Nurses	Average of Compensation over last 24 months if less than 30 years of service. Average of Compensation over last 12 months if 30 or more years of service.
Police and Firefighters	Average of Compensation over last 24 months.
Continuous Service	Number of years and completed months of uninterrupted service.

Appendix C - Summary of Plan Provisions

Superannuation

Board of Education and Supervisors	23 years of Continuous Service, and if hired before 4/1/1985, age 50, or 5 years of service and age 55.
Paraprofessionals	23 years of Continuous Service, and if hired before 4/1/1985, age 50, or 5 years of service and age 55.
Public Works	23 years of Continuous Service, and if hired before 7/1/1985, age 50, or 5 years of service and age 55.
Town Hall and Nurses	23 years of Continuous Service, and if hired before 7/1/1977, age 50, or 5 years of service and age 55.
Police and Firefighters	25 years of Continuous Service.

Pension Benefit

Town, Board of Education, Paraprofessionals and Nurses	2.4% of Average Annual Compensation for each of the first 25 years of Continuous Service, plus 2% of Average Annual Compensation for years 26-30 and 0.5% of Average Annual Compensation for years 31-35.
Firefighters	2.4% of Average Annual Compensation for each year of Continuous Service.
Police	2.4% of Average Annual Compensation for each of the first 25 years of Continuous Service, plus 2% of Average Annual Compensation for each year of Continuous Service over 25 years.

Maximum Benefit

Town/Board of Education	72.5% of Average Annual Compensation.
Police and Firefighters	70% of Average Annual Compensation.

Optional Forms of Benefit

100% or 50% Contingent Annuitant; if the Contingent Annuitant dies before the Primary Annuitant, the election is revoked.

Appendix C - Summary of Plan Provisions

Disability Retirement	Members (except Police and Firefighters) hired after July 1, 1985 (Town Hall, Paraprofessionals and Nurses hired after July 1, 1962; Supervisors hired after April 1, 1985) who are eligible for Superannuation are not eligible for Disability Benefits.
Disability	Incurred in the line of duty: 50% of Average Annual Compensation. Not incurred in the line of duty:
Town, Board of Education, Paraprofessionals and Nurses	2.4% of Average Annual Compensation for each year of Continuous Service, if Member has 5 years of Continuous Service. Maximum Benefit is 50% of Average Annual Compensation; Minimum Benefit is 30% of Average Annual Compensation.
Police and Firefighters	2.4% of Average Annual Compensation for each year of Continuous Service. Maximum Benefit is 50% of Average Annual Compensation; Minimum Benefit is 25% of Average Annual Compensation.
Death Benefits	
Pre-Retirement Death	Incurred in the line of duty: 50% of last 12 months of Compensation, or \$1,500 if greater, to spouse until death or remarriage. Not Incurred in the line of duty: 25% of Compensation, if Member had 10 years of Continuous Service, to spouse until death or remarriage.
Post-Retirement Death	Greater of 25% of Compensation or 50% of the Pension Benefit payable to spouse until death or remarriage. If death is due to an accident in the line of duty within one year of retirement, benefit is equal to 50% of Compensation or \$1,500 if greater. Death Benefits (pre and post retirement) are payable to dependent children under age 21 if no surviving spouse, and to dependent parents if no surviving spouse or children. If no survivors, Accumulated Contributions in excess of benefits paid will be paid to the estate.
Member Contributions	
Town, Board of Education, Paraprofessionals and Nurses	8% of Compensation; not payable in excess of 35 years.
Firefighters	8% of Compensation; not payable in excess of 30 years.
Police	8% of Compensation. 7% of Compensation if hired after 10/17/1996.

Appendix C - Summary of Plan Provisions

Vesting

Upon termination after 5 years of service (10 years for Police and Firefighters), Member has accrued the following benefits:

Firefighters: 2.4% of Average Annual Compensation (over 24 months) times years of service.

Police, Town, Board of Education, Paraprofessionals and Nurses: 2.4% of Average Annual Compensation (over 24 months) times years of service.

Post-Retirement Death: 50% of vested pension benefit payable to spouse until death or remarriage. Continuation of death benefits available to dependent children and parents.

Upon termination prior to vesting, Member contributions are returned with interest.