



Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report

December 31, 2020 - Ontonagon, Vlg of (6603)





Spring, 2021

Ontonagon, Vlg of

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 Ontonagon, Vlg of (6603) as of December 31, 2020. 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. Ontonagon, Vlg of 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, 2020,
- Establish contribution requirements for the fiscal year beginning April 1, 2022,
- 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, 2020. 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, MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are checked regularly through a comprehensive study, called an Experience Study. Studies were completed in 2018 and 2020, and are the basis of the economic and demographic assumptions and methods currently in place. Updated economic assumptions were adopted by the MERS Retirement Board at the February 28, 2019 board meeting and were effective with the December 31, 2019 annual actuarial valuation. **At the February 27, 2020 board meeting, the MERS Retirement Board adopted demographic assumptions effective with the December 31, 2020 annual actuarial valuation, which will impact contributions beginning in 2022.**

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202 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:

<http://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2020AnnualActuarialValuation-Appendix.pdf>

The actuarial assumptions used for this valuation, including the assumed rate of investment return, are reasonable for purposes of the measurement.

This report reflects the impact of COVID-19 experience through December 31, 2020. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short-term. We will continue to monitor these developments and their impact on the MERS Defined Benefit and Hybrid plans. Actual future experience will be reflected in each subsequent annual valuation, as experience emerges.

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 Ontonagon, Vlg of 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.

David T. Kausch, Rebecca L. Stouffer, and Mark Buis 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.

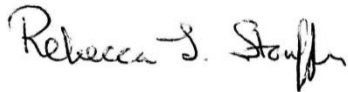
This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible 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,



David T. Kausch, FSA, FCA, EA, MAAA



Rebecca L. Stouffer, ASA, FCA, MAAA



Mark Buis, FSA, FCA, EA, 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 funding 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.

	12/31/2020	12/31/2019
Funded Ratio*	44%	49%

* 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's 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 for the December 31, 2020 valuation, the MERS Retirement Board has adopted updated demographic assumptions. Changes to these assumptions are effective for contributions beginning in 2022. Effective with the 2019 valuation, the MERS Retirement Board adopted updated economic assumptions. The combined impact of these assumption changes may be phased in. This valuation reflects the second year of phase-in for the economic assumption update and the first year of phase-in for the demographic assumption update. The remaining combined phase-in period is four years for all assumption changes.

By default, MERS will invoice you based on the amount in the “No Phase-in” columns. This amount will be considered the minimum required contribution unless you request to be billed the “Phase-in” rates. If you wish to be billed using the phased-in rates, please contact MERS, at which point the alternate minimum required contribution will be the amount in the “Phase-in” columns.

	Percentage of Payroll				Monthly \$ Based on Projected Payroll			
	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in
	12/31/2020	12/31/2020	12/31/2019	12/31/2019	12/31/2020	12/31/2020	12/31/2019	12/31/2019
Valuation Date:	April 1, 2022	April 1, 2022	April 1, 2021	April 1, 2021	April 1, 2022	April 1, 2022	April 1, 2021	April 1, 2021
Fiscal Year Beginning:								
Division								
01 - General	33.57%	35.73%	32.00%	33.50%	\$ 9,884	\$ 10,520	\$ 10,030	\$ 10,501
10 - Admin	862.74%	962.01%	761.64%	810.06%	43,148	48,113	38,790	41,256
Total Municipality - Estimated Monthly Contribution					\$ 53,032	\$ 58,633	\$ 48,820	\$ 51,757
Total Municipality - Estimated Annual Contribution					\$ 636,384	\$ 703,596	\$ 585,840	\$ 621,084

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2020	12/31/2019
Division		
01 - General	0.00%	0.00%
10 - Admin	0.00%	0.00%

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 of what MERS calls “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. An election to set up Surplus divisions would not immediately lower future contributions, however the assets from the Surplus division 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.



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 2022 for the entire employer would be \$89,155, instead of \$58,633.

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 **7.35%** per year. This, along with all of our 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 Change in 2020

A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020 actuarial valuation, first impacting 2022 contributions. A complete description of the assumptions may be found in the Appendix to the 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. 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 2020 was 8.17%, while the actual market rate of return was 12.70%.** 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, 2020, the actuarial value of assets is 97% of market value due to asset smoothing. This means that the rate of return on the actuarial value of assets should exceed the actuarial assumption in the next few years provided that the annual market returns exceed the 7.35% investment return assumption. When all assumptions are met, contribution rates are expected to stay approximately level as a percent of payroll (dollar amounts are expected to increase with wage inflation of 3.0% each year).

If the December 31, 2020 valuation results were based on market value instead of actuarial value:

- The funded percent of your entire municipality would be 46% (instead of 44%); and
- Your total employer contribution requirement for the fiscal year starting April 1, 2022 would be \$687,156 (instead of \$703,596).

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 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 future 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, 2020 valuation, and are for the municipality in total, not by division. These results do not reflect a phase-in of the impact of the new actuarial assumptions.

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.



12/31/2020 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
Investment Return Assumption	5.35%	6.35%	7.35%
Accrued Liability	\$ 17,877,781	\$ 16,272,173	\$ 14,908,695
Valuation Assets ¹	\$ 6,618,847	\$ 6,618,847	\$ 6,618,847
Unfunded Accrued Liability	\$ 11,258,934	\$ 9,653,326	\$ 8,289,848
Funded Ratio	37%	41%	44%
Monthly Normal Cost	\$ 5,093	\$ 3,970	\$ 3,127
Monthly Amortization Payment	\$ 64,585	\$ 59,971	\$ 55,506
Total Employer Contribution²	\$ 69,678	\$ 63,941	\$ 58,633

¹ The Valuation Assets include assets from Surplus divisions, if any.

² 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

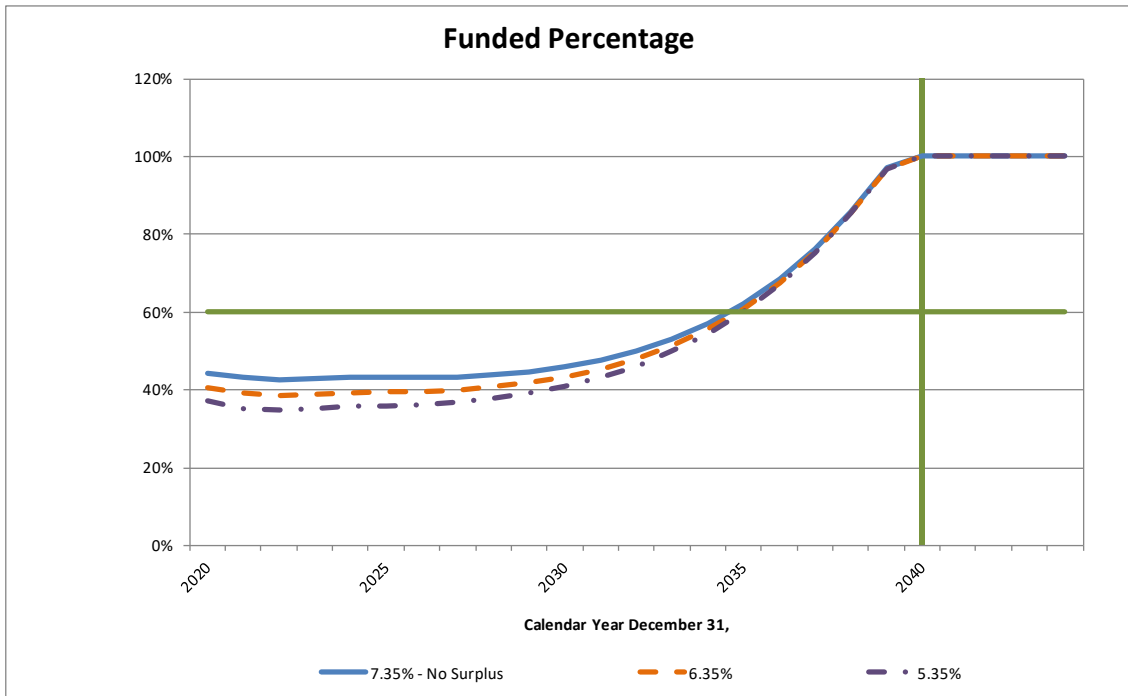
The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate economic assumption scenarios. All three projections take into account the past investment experience that will continue to affect the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

The 7.35% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 7.35% 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 6.35% and 5.35% 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 4/1	Actuarial Accrued Liability	Valuation Assets ²	Funded Percentage	Estimated Annual Employer Contribution
7.35%¹ - NO PHASE-IN					
2020	2022	\$ 14,908,695	\$ 6,618,847	44%	\$ 703,596
2021	2023	\$ 14,500,000	\$ 6,280,000	43%	\$ 720,000
2022	2024	\$ 14,300,000	\$ 6,080,000	43%	\$ 741,000
2023	2025	\$ 14,000,000	\$ 6,010,000	43%	\$ 753,000
2024	2026	\$ 13,700,000	\$ 5,930,000	43%	\$ 768,000
2025	2027	\$ 13,400,000	\$ 5,800,000	43%	\$ 791,000
6.35%¹ - NO PHASE-IN					
2020	2022	\$ 16,272,173	\$ 6,618,847	41%	\$ 767,292
2021	2023	\$ 15,900,000	\$ 6,210,000	39%	\$ 787,000
2022	2024	\$ 15,600,000	\$ 6,000,000	39%	\$ 811,000
2023	2025	\$ 15,200,000	\$ 5,940,000	39%	\$ 825,000
2024	2026	\$ 14,900,000	\$ 5,860,000	39%	\$ 843,000
2025	2027	\$ 14,600,000	\$ 5,740,000	39%	\$ 869,000
5.35%¹ - NO PHASE-IN					
2020	2022	\$ 17,877,781	\$ 6,618,847	37%	\$ 836,136
2021	2023	\$ 17,400,000	\$ 6,150,000	35%	\$ 859,000
2022	2024	\$ 17,100,000	\$ 5,930,000	35%	\$ 885,000
2023	2025	\$ 16,700,000	\$ 5,880,000	35%	\$ 903,000
2024	2026	\$ 16,300,000	\$ 5,810,000	36%	\$ 924,000
2025	2027	\$ 15,900,000	\$ 5,710,000	36%	\$ 952,000

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

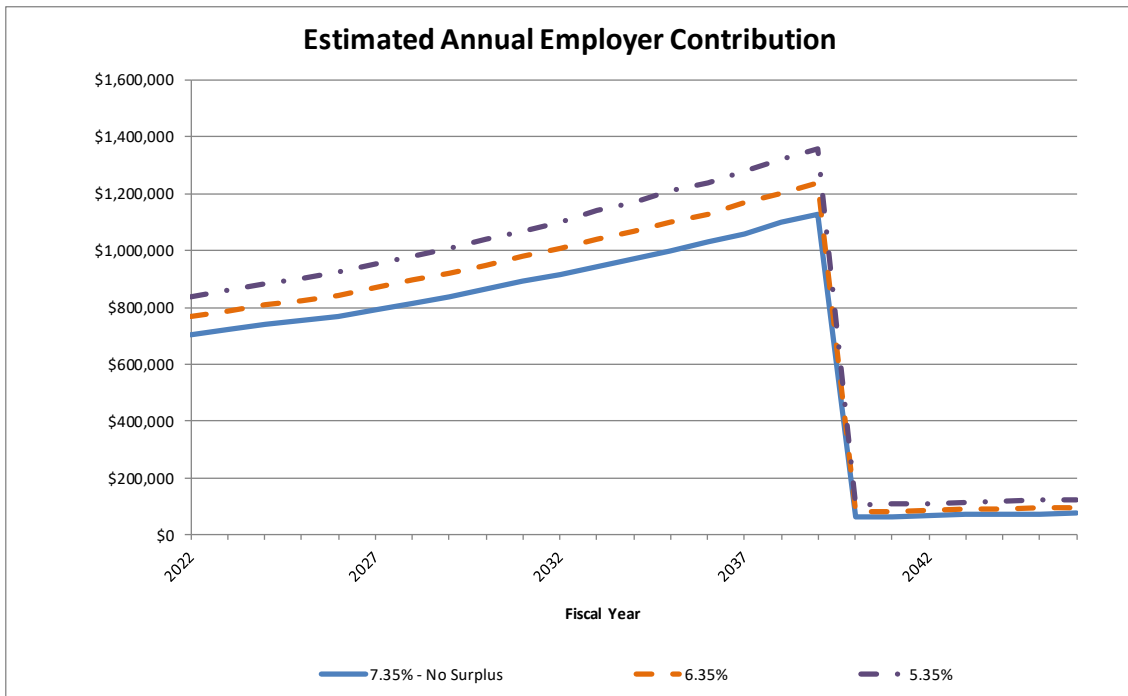
² Valuation Assets do not include assets from Surplus divisions, if any.



Notes:

All projected funded percentages are shown with no phase-in.

The green indicator lines have been added at 60% funded and 20 years following the valuation date for PA 202 purposes.



Notes:

All projected contributions are shown with no phase-in.

Table 1: Employer Contribution Details for the Fiscal Year Beginning April 1, 2022

Division	Total Normal Cost	Employee Contribut. Rate	Employer Contributions ¹			Computed Employer Contribut. With Phase-In	Blended ER Rate No Phase-In ⁵	Blended ER Rate With Phase-In ⁵	Employee Contribut. Conversion Factor ²
			Employer Normal Cost ⁶	Payment of the Unfunded Accrued Liability ⁴	Computed Employer Contribut. No Phase-In				
Percentage of Payroll									
01 - General	7.56%	0.00%	7.56%	28.17%	35.73%	33.57%			0.86%
10 - Admin	18.01%	0.00%	18.01%	944.00%	962.01%	862.74%			0.99%
Estimated Monthly Contribution³									
01 - General			\$ 2,226	\$ 8,294	\$ 10,520	\$ 9,884			
10 - Admin			901	47,212	48,113	43,148			
Total Municipality			\$ 3,127	\$ 55,506	\$ 58,633	\$ 53,032			
Estimated Annual Contribution³			\$ 37,524	\$ 666,072	\$ 703,596	\$ 636,384			

- ¹ The above employer contribution requirements are in addition to the employee contributions, if any.
- ² 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.
- ³ 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.
- ⁴ 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 to not add across.
- ⁵ For linked divisions, the employer will be invoiced the Computed Employer Contribution No Phase-in 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).
- ⁶ 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: Open Division

	2020 Valuation	2019 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/30	55/30
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	0.00%	0.00%
Act 88:	No	No

10 - Admin: Open Division

	2020 Valuation	2019 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	3 years	3 years
Employee Contributions:	0.00%	0.00%
Act 88:	No	No

Table 3: Participant Summary

Division	2020 Valuation		2019 Valuation		2020 Valuation		
	Number	Annual Payroll ¹	Number	Annual Payroll ¹	Average Age	Average Benefit Service ²	Average Eligibility Service ²
01 - General							
Active Employees	8	\$ 330,596	8	\$ 351,903	45.3	13.9	13.9
Vested Former Employees	1	5,369	1	5,369	47.5	10.5	10.5
Retirees and Beneficiaries	12	205,951	13	214,330	73.3		
Pending Refunds	0		0				
10 - Admin							
Active Employees	1	\$ 56,149	1	\$ 57,179	54.7	9.0	17.9
Vested Former Employees	24	177,556	27	198,204	53.9	10.5	10.5
Retirees and Beneficiaries	110	1,090,043	108	1,074,485	72.3		
Pending Refunds	54		55				
Total Municipality							
Active Employees	9	\$ 386,745	9	\$ 409,082	46.3	13.4	14.3
Vested Former Employees	25	182,925	28	203,574	53.6	10.5	10.5
Retirees and Beneficiaries	122	1,295,994	121	1,288,815	72.4		
Pending Refunds	54		55				
Total Participants	210		213				

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

² Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

Table 4: Reported Assets (Market Value)

Division	2020 Valuation		2019 Valuation	
	Employer and Retiree ¹	Employee ²	Employer and Retiree ¹	Employee ²
01 - General	\$ 1,746,126	\$ 4,014	\$ 1,666,508	\$ 4,010
10 - Admin	4,469,082	587,792	4,615,649	655,249
Municipality Total³	\$ 6,215,208	\$ 591,806	\$ 6,282,157	\$ 659,259
Combined Assets³	\$6,807,014		\$6,941,416	

¹ Reserve for Employer Contributions and Benefit Payments.

² Reserve for Employee Contributions.

³ Totals may not add due to rounding.

The December 31, 2020 valuation assets (actuarial value of assets) are equal to 0.972357 times the reported market value of assets (compared to 1.013179 as of December 31, 2019). 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						
2010	\$ 131,937		\$ 0	\$ 440,904	\$ (1,090,610)	\$ (93,510)	\$ 0	\$ 11,730,330
2011	158,634	\$ 0	0	435,866	(1,168,719)	(36,617)	0	11,119,494
2012	198,391	0	0	367,910	(1,199,936)	0	0	10,485,859
2013	262,749	0	0	524,824	(1,196,786)	(14,409)	0	10,062,237
2014	333,901	0	0	524,601	(1,187,581)	(2,390)	0	9,730,768
2015	259,730	0	0	400,446	(1,196,864)	0	0	9,194,080
2016	287,317	0	0	375,220	(1,236,641)	(5,778)	0	8,614,198
2017	362,365	0	0	464,640	(1,238,617)	(4,842)	0	8,197,744
2018	554,091	0	0	278,743	(1,262,056)	0	0	7,768,522
2019	263,190	0	0	290,576	(1,289,391)	0	0	7,032,897
2020	433,600	0	0	456,356	(1,286,148)	(17,858)	0	6,618,847

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.

Additional employer contributions, if any, are shown separately starting in 2011. Prior to 2011, additional contributions are combined with the required employer contributions.

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, 2020**

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	\$ 960,353	\$ 24,789	\$ 1,966,814	\$ 0	\$ 2,951,956	\$ 1,701,761	57.6%	\$ 1,250,195
10 - Admin	113,107	1,382,127	10,330,462	131,043	11,956,739	4,917,086	41.1%	7,039,653
Total	\$ 1,073,460	\$ 1,406,916	\$ 12,297,276	\$ 131,043	\$ 14,908,695	\$ 6,618,847	44.4%	\$ 8,289,848

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

The December 31, 2020 valuation assets (actuarial value of assets) are equal to 0.972357 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
2006	\$ 2,549,264	\$ 1,911,089	75%	\$ 638,175
2007	15,491,408	14,283,972	92%	1,207,436
2008	14,817,160	13,197,105	89%	1,620,055
2009	14,418,922	12,341,609	86%	2,077,313
2010	14,287,467	11,730,330	82%	2,557,137
2011	14,394,313	11,119,494	77%	3,274,819
2012	14,264,403	10,485,859	74%	3,778,544
2013	14,204,453	10,062,237	71%	4,142,216
2014	14,100,686	9,730,768	69%	4,369,918
2015	14,721,529	9,194,080	63%	5,527,449
2016	14,492,050	8,614,198	59%	5,877,852
2017	14,296,540	8,197,744	57%	6,098,796
2018	14,139,409	7,768,522	55%	6,370,887
2019	14,458,944	7,032,897	49%	7,426,047
2020	14,908,695	6,618,847	44%	8,289,848

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012, 2015, 2019 and 2020 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
2010	\$ 2,385,330	\$ 1,931,878	81%	\$ 453,452
2011	2,653,062	1,917,908	72%	735,154
2012	2,581,079	1,856,783	72%	724,296
2013	2,652,881	1,859,805	70%	793,076
2014	2,733,461	1,870,683	68%	862,778
2015	2,911,249	1,850,005	64%	1,061,244
2016	2,859,984	1,799,995	63%	1,059,989
2017	2,892,126	1,795,415	62%	1,096,711
2018	2,857,670	1,730,104	61%	1,127,566
2019	2,919,496	1,692,534	58%	1,226,962
2020	2,951,956	1,701,761	58%	1,250,195

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

Table 9-01: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2010	9	\$ 354,097	14.88%	0.00%
2011	7	278,692	22.91%	0.00%
2012	8	316,670	21.80%	0.00%
2013	8	329,801	22.69%	0.00%
2014	8	344,025	23.37%	0.00%
2015	8	313,208	30.27%	0.00%
2016	8	317,610	29.87%	0.00%
2017	8	344,493	29.43%	0.00%
2018	9	359,846	29.45%	0.00%
2019	8	351,903	33.50%	0.00%
2020	8	330,596	35.73%	0.00%

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

2 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 for the 12/31/2015 through 12/31/2020 valuations do not reflect the phase-in of the change in contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above.

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 - Admin

Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 115,175	\$ 121,578	106%	\$ (6,403)
2011	120,049	135,507	113%	(15,458)
2012	137,002	148,289	108%	(11,287)
2013	153,763	159,260	104%	(5,497)
2014	176,949	175,408	99%	1,541
2015	11,810,280	7,344,075	62%	4,466,205
2016	11,632,066	6,814,203	59%	4,817,863
2017	11,404,414	6,402,329	56%	5,002,085
2018	11,281,739	6,038,418	54%	5,243,321
2019	11,539,448	5,340,363	46%	6,199,085
2020	11,956,739	4,917,086	41%	7,039,653

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

Table 9-10: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2010	1	\$ 43,500	9.32%	0.00%
2011	0	0	\$ 0	0.00%
2012	1	48,846	15.41%	0.00%
2013	1	52,500	16.21%	0.00%
2014	1	54,523	17.07%	0.00%
2015	1	53,689	574.95%	0.00%
2016	1	53,760	595.76%	0.00%
2017	1	56,988	591.15%	0.00%
2018	1	57,176	636.11%	0.00%
2019	1	57,179	810.06%	0.00%
2020	1	56,149	962.01%	0.00%

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

2 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 for the 12/31/2015 through 12/31/2020 valuations do not reflect the phase-in of the change in contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above.

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 ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 4/1/2022		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Initial	12/31/2015	\$ 1,061,244	23	\$ 1,120,858	18	\$ 89,604
(Gain)/Loss	12/31/2016	(34,711)	22	(38,362)	18	(3,072)
(Gain)/Loss	12/31/2017	23,982	21	26,339	18	2,112
(Gain)/Loss	12/31/2018	21,333	20	23,312	18	1,860
(Gain)/Loss	12/31/2019	14,674	19	15,932	18	1,272
Assumption	12/31/2019	77,063	19	78,096	18	6,240
Experience	12/31/2020	17,353	18	18,962	18	1,512
Total				\$ 1,245,137		\$ 99,528

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

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

³ 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, 2020 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2020 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 - Admin

Table 10-10: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 4/1/2022		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Initial	12/31/2015	\$ 4,466,205	23	\$ 4,982,603	18	\$ 398,328
(Gain)/Loss	12/31/2016	5,089	22	5,627	18	456
(Gain)/Loss	12/31/2017	61,727	21	67,778	18	5,424
(Gain)/Loss	12/31/2018	198,245	20	216,686	18	17,328
(Gain)/Loss	12/31/2019	560,731	19	608,775	18	48,672
Assumption	12/31/2019	355,494	19	357,524	18	28,584
Experience	12/31/2020	775,558	18	847,455	18	67,752
Total				\$ 7,086,448		\$ 566,544

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

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

³ 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, 2020 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2020 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:	12/31/2020
Measurement Date of the Total Pension Liability (TPL):	12/31/2020
At 12/31/2020, the following employees were covered by the benefit terms:	
Inactive employees or beneficiaries currently receiving benefits:	122
Inactive employees entitled to but not yet receiving benefits (including refunds):	79
Active employees:	<u>9</u>
	210
Total Pension Liability as of 12/31/2019 measurement date:	\$ 14,168,958
Total Pension Liability as of 12/31/2020 measurement date:	\$ 14,599,963
Service Cost for the year ending on the 12/31/2020 measurement date:	\$ 34,975
Change in the Total Pension Liability due to:	
- Benefit changes ¹ :	\$ 0
- Differences between expected and actual experience ² :	\$ 52,488
- Changes in assumptions ² :	\$ 618,931
Average expected remaining service lives of all employees (active and inactive):	0

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

² 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):	\$ 386,745
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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 <u>(6.60%)</u>	Current Discount Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
Change in Net Pension Liability as of 12/31/2020:	\$ 1,310,664	\$ 0	\$ (1,124,862)

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.

GASB Statement No. 68 Information

This page is for those municipalities who need to “roll-forward” their total pension liability due to the timing of completion of the actuarial valuation in relation to their fiscal year-end.

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 www.mersofmich.com.

Actuarial Valuation Date:		12/31/2020
Measurement Date of the Total Pension Liability (TPL):		12/31/2021
At 12/31/2020, the following employees were covered by the benefit terms:		
Inactive employees or beneficiaries currently receiving benefits:		122
Inactive employees entitled to but not yet receiving benefits (including refunds):		79
Active employees:		<u>9</u>
		210
Total Pension Liability as of 12/31/2020 measurement date:	\$	13,793,773
Total Pension Liability as of 12/31/2021 measurement date:	\$	14,249,772
Service Cost for the year ending on the 12/31/2021 measurement date:	\$	36,062
Change in the Total Pension Liability due to:		
- Benefit changes ¹ :	\$	0
- Differences between expected and actual experience ² :	\$	201,491
- Changes in assumptions ² :	\$	663,929
Average expected remaining service lives of all employees (active and inactive):		0

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

²Changes 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):	\$	386,745
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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 <u>(6.60%)</u>	Current Discount Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
Change in Net Pension Liability as of 12/31/2021:	\$ 1,267,627	\$ 0	\$ (1,089,851)

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

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2008	Flexible E \$10.00 Monthly COLA Adopted (01/01/2008)
1/1/2007	Flexible E \$10.00 Monthly COLA Adopted (01/01/2007)
1/1/2006	Flexible E \$10.00 Monthly COLA Adopted (01/01/2006)
1/1/2005	Flexible E \$14.83 Monthly COLA Adopted (01/01/2005)
1/1/2004	E 2% COLA Adopted (01/01/2004)
1/1/2003	E 2% COLA Adopted (01/01/2003)
1/1/2002	E 2% COLA Adopted (01/01/2002)
1/1/2001	E 2% COLA Adopted (01/01/2001)
7/1/1990	Benefit FAC-3 (3 Year Final Average Compensation)
7/1/1990	Benefit B-2
7/1/1990	Benefit F55 (With 30 Years of Service)
1/1/1977	Member Contribution Rate 0.00%
7/26/1976	Exclude Temporary Employees
7/1/1976	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1976	10 Year Vesting
7/1/1976	Benefit C-1 (Old)
7/1/1976	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
7/1/1976	Fiscal Month - April
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

10 - Admin

12/1/2016	Service Credit Purchase Estimates - Yes
5/1/2008	Benefit B-3 (80% max)
5/1/2008	Member Contribution Rate 0.00%
4/1/2008	Member Contribution Rate 5.00%
1/1/2008	Flexible E \$10.00 Monthly COLA Adopted (01/01/2008)
10/1/2007	Benefit B-4 (80% max)
10/1/2007	Member Contribution Rate 3.00%
1/1/2007	Flexible E \$10.00 Monthly COLA Adopted (01/01/2007)
1/1/2006	Flexible E \$10.00 Monthly COLA Adopted (01/01/2006)
1/1/2004	E 2% COLA Adopted (01/01/2004)
1/1/2003	E 2% COLA Adopted (01/01/2003)
1/1/2002	E 2% COLA Adopted (01/01/2002)
1/1/2001	E 2% COLA Adopted (01/01/2001)
1/1/1999	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/1999	6 Year Vesting
1/1/1999	Benefit B-2
1/1/1999	Benefit F55 (With 15 Years of Service)
1/1/1999	Member Contribution Rate 0.00%
7/26/1976	Exclude Temporary Employees



10 - Admin

7/1/1976

Fiscal Month - April

Defined Benefit Normal Retirement Age - 60

Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

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	FAC 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. In select instances, closed not linked division(s) may follow an accelerated amortization policy.

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:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
1. Ratio of the market value of assets to total payroll	17.6	17.0	17.0
2. Ratio of actuarial accrued liability to payroll	38.5	35.3	33.9
3. Ratio of actives to retirees and beneficiaries	0.1	0.1	0.1
4. Ratio of market value of assets to benefit payments	5.2	5.4	5.6
5. Ratio of net cash flow to market value of assets (boy)	-12.5%	-14.5%	-8.7%

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 and on the State [website](#).

Form 5572		
Line Reference	Description	Result
10	Membership as of December 31, 2020	
11	Indicate number of active members	9
12	Indicate number of inactive members (excluding pending refunds)	25
13	Indicate number of retirees and beneficiaries	122
14	Investment Performance for Calendar Year Ending December 31, 2020¹	
15	Enter actual rate of return - prior 1-year period	13.59%
16	Enter actual rate of return - prior 5-year period	9.35%
17	Enter actual rate of return - prior 10-year period	7.91%
18	Actuarial Assumptions	
19	Actuarial assumed rate of investment return ²	7.35%
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 ³	18
22	Is each division within the system closed to new employees? ⁴	No
23	Uniform Assumptions	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$6,572,567
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions ⁵	\$15,361,528
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending March 31, 2021	\$688,104

1. 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.
2. Net of administrative and investment expenses.
3. 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.
4. If all divisions within the employer are closed, “yes.” If at least one division is open (including shadow divisions) indicate “no.”
5. Line 25 actuarial accrued liability is determined under PA 202 uniform assumptions which differ from the valuation assumptions. In particular, the assumed rate of return for PA 202 purposes is 7.00%.