



# PUBLIC ACT 530

## RETIREMENT STATEMENT

<b>Item</b>	<b>Information</b>
<b>Name of system</b>	City of Mason, Ingham County
<b>Investment fiduciary</b>	MERS of Michigan
<b>Systems service providers</b>	MERS of Michigan, CBIZ Retirement Services (actuary)
<b>System's asset</b>	12,671,404.00
<b>System's liabilities</b>	19,286,003.00
<b>Systems funded ratio</b>	66%
<b>Investment performance</b>	Investment performance net of fees: 1 year: 10.65% 3 years: 5.32% 5 years: 6.30% 7 years: 8.18% 10 years: 5.11%
<b>System admin. &amp; investment expenses</b>	At December 31, 2016 the cost of the Defined Benefit Plan was 0.39% (0.21% for admin. and 0.18% for investments)
<b>System's budget</b>	N/A to the local government
<b>Number of Actives</b>	42
<b>Number of vested/retirees/beneficiaries</b>	44
<b>Average annual retirement allowance</b>	26,415.66
<b>Total annual retirement allowances</b>	38,205.57
<b>Valuation payroll actives</b>	2,123,390.00
<b>Normal cost and percentage</b>	121,068 / 5.70%
<b>Total contribution rate as a percentage</b>	24.93%

**Weighted average member contributions** 9.57%  
**Actuarial investment return** 7.75%  
**Actuarial long term inflation rate** 3.75%  
**Smoothing method** 5 years

**Amortization method** The unfunded accrued liability as of 12/31/16 is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

**Actuarial cost method** Entry age normal cost method

**Open or closed membership** General Union - closed to new hires 7/1/13  
Police other - closed to new hires 7/1/14  
General Non-Union - closed to new hires 1/1/12  
Police Sgt - closed to new hires  
Non-Union new hires effective 1/1/12 C-1: 1.50% Multiplier  
General Union new hires effective 7/1/13 C-1: 1.50% Multiplier  
All Police new hires effective 7/1/14 C-1: 1.50% Multiplier

**Health care inflation** Not applicable to pension plans.

The City of Mason has taken steps to reduce unfunded accrued liability including changing the new employee retirement plan, reducing health care for retirees and starting a RHFV.

The City will not provide postemployment retiree health care benefits for any non union employee hired after January 1, 2012.

**Retiree Health Care**

**Non-Union**  
at age 55 with 25 years the City will pay 100% of single coverage

**Police Officers**  
at age 55 with 30 years the City will pay 80% of single coverage

at age 55 with 20 years the City will pay 75% of single coverage  
at age 55 with 15 years the City will pay 50% of single coverage

**Police Sergeant**

at age 55 with 30 years the City will pay 100% of single coverage  
at age 55 with 25 years the City will pay 50% of single coverage

at age 55 with 25 years the City will pay 50% of single coverage

**AFSCME**

at retirement, the City will pay \$225 of single coverage

In 2007 the City of Mason started a Retiree Health Funding Vehicle (RHFV). Since inception the City has contributed 100% of the Annual Required Contribution (ARC).