CONDUENT

Burlington Employees' Retirement System

Information Required Under Governmental Accounting Standards Board Statement No. 67 as of June 30, 2016

June 8, 2017

Board of Trustees
Burlington Employees' Retirement System
Burlington, Vermont 05401

Dear Board Members:

This actuarial valuation report provides information concerning the Burlington Employees' Retirement System (BERS) in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67).

This report covers the retirement [Section 401(a)] portion of the System. The retiree medical benefits payable under the System will be addressed in a separate report prepared in accordance with GASB Statement No. 43.

We certify that the information contained in this report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information fairly presents the actuarial position of the System in accordance with the requirements of GASB 67 as of June 30, 2016.

The Board of Trustees and staff of the Retirement office may use this report for the review of the operation of the System. The report may also be used in the preparation of BERS' audited financial statements. Use of this report for any other purpose or by anyone other than the Board of Trustees, the staff of the Retirement office or its auditors may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Conduent should be asked to review any statement to be made on the basis of the results contained in this report. Conduent will accept no liability for any such statement made without prior review by Conduent.

Future actuarial measurements may differ significantly from current measurements due to System experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in System provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this report.

In preparing the actuarial results, we have relied upon information provided by officials of the City of Burlington regarding System provisions, participants, assets, contributions and other matters used in the actuarial valuation. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

This valuation was prepared based on the actuarial assumptions and methods used in the June 30, 2016, actuarial valuation of the System, except as noted herein. In our opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are reasonably related to the experience of the System and to reasonable long-term expectations.

This report was prepared under our supervision. We are Fellows of the Society of Actuaries and Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about it.

Respectfully submitted,

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Section I – GASB 67 Information

System Description

System Administration

The administrative staff of the Burlington Employees' Retirement System (BERS or System) administers the System. The System is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to employees of the City of Burlington (City).

The general administration and responsibility for the proper operation of the System are vested in an eight-member Retirement Board. The Board consists of three (3) members appointed by the City Council, two (2) Class A members of the system elected by the Class A membership, two (2) Class B members of the system elected by the Class B membership, and the City Treasurer as an ex officio member. Of the Class A and Class B board members, no two (2) shall be employed at the same department.

The City Council has the authority to amend the benefit terms of the System by enacting ordinances and sending them to the Mayor for approval.

Measurement Date

The net pension liability for fiscal year ending June 30, 2016 is determined at a measurement date of June 30, 2016. The total pension liability as of June 30, 2016 was determined on the basis of the actuarial assumptions outlined in Section II. The plan fiduciary net position is the market value of plan assets as of June 30, 2016.

Notes to the Financial Statements for the Year Ended June 30, 2016

Net Pension Liability

The components of the net pension liability as of June 30, 2016, are as follows:

Total pension liability	$	245,943,279
System fiduciary net position		(156,789,373)
Net pension liability	$	89,153,906
System fiduciary net position as a percentage of the total pension liability		63.75%

Actuarial Assumptions

The total pension liability as of June 30, 2016 was determined on the basis of the actuarial assumptions outlined in Section II. These assumptions were selected on the basis of the experience study that was performed for the five-year period ending June 30, 2012. The recommended assumption changes based on this experience study were adopted by the Board on May 2, 2013, and were effective initially for the June 30, 2013 actuarial valuation.

Actuarial Cost Method

Entry Age Normal – Level Percentage of Pay

Asset Valuation Method

Invested assets are reported at fair value.

The long-term expected rate of return on System investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation as of June 30, 2016	Long-Term Expected Real Rate of Return
US Large Cap	30.09%	7.16%
US Mid Cap	8.99%	9.04%
US Small Cap	8.99%	9.03%
MSCI EAFE	9.31%	5.61%
MSCI Emerging Markets	10.40%	8.22%
Intermediate Government Credit	27.74%	1.72%
Real Estate	2.08%	6.63%
Private Equity	1.56%	8.31%
Cash	0.84%	0.86%

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate.

Discount rate: The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 67. We believe this assumption is reasonable for the purposes of the measurements required by GASB 67.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	$118,327,804	$89,153,906	$64,772,520

Schedules of Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios

		FYE June 30, 2016
Total pension liability		
Service cost	$	5,327,448
Interest		18,268,523
Changes of benefit terms		(414,295)
Differences between expected and actual experience		6,852,487
Changes of assumptions		0
Benefit payments		(13,971,175)
Net change in total pension liability	$	16,062,988
Total pension liability-beginning	$	229,880,291
Total pension liability-ending (a)	$	245,943,279
System fiduciary net pension		
Contributions - employers	$	9,149,159
Contributions – members		2,304,971
Net investment income		(2,088,531)
Benefit payments, including refunds of member contributions		(13,971,175)
Administrative expenses		(320,908)
Other		0
Net change in System fiduciary net position	$	(4,926,484)
System fiduciary net position-beginning	$	161,715,857
System fiduciary net position-ending (b)	$	156,789,373
System's net pension liability-ending (a)-(b)	$	89,153,906
System fiduciary net position as a percentage of the total pension liability		63.75%
Covered payroll as of June 30, 2016 actuarial valuation	$	48,107,717
Net pension liability as a percentage of covered payroll		185.32%

Notes to Schedule:

Benefit changes since June 30, 2015:

1- Member contributions for Class B employees who elected to continue to be eligible for early retirement benefits at 2% per year reduction between ages 55 and 65, in accordance with the 2006-09 collective bargaining agreement, will be 4.8% in fiscal year 2017 and 5.2% beginning with fiscal year 2018.

2- Member contributions for all other Class B employees will be will be 3.8% in fiscal year 2017 and 4.2% beginning with fiscal year 2018.

3- For Class A employees, member contributions will be 11.0% of payroll in fiscal year 2017.

4- Any employee who leaves employment and withdraws contributions before vesting shall receive interest on such contributions computed at a rate of 2% per year.

5- For all future retirees, cost-of-living adjustments will be subject to an annual maximum of 2.75%.

Changes of assumptions since June 30, 2015: None.

Schedule of Employer Contributions

	FYE June 30,2015	FYE June 30,2016
Actuarially determined contribution	$ 8,840,768	$ 9,149,159
Contributions related to the actuarially determined	$ 8,840,768	$ 9,149,159
Contribution deficiency (excess)	$ 0	$ 0

Notes to Schedule

Valuation date: Actuarially determined contributions are calculated as of the June 30 preceding by twelve months the start of the fiscal year in which contributions are made. That is, the contribution calculated in the June 30, 2016 actuarial valuation will be made during the fiscal year ended June 30, 2018.

The methods and assumptions used to calculate the actuarially determined contribution in the June 30, 2016 actuarial valuation are shown in Section II.

Schedule of Investment Returns

	FYE June 30, 2015	FYE June 30, 2016
Annual money-weighted rate of return, net of investment expenses	**-0.15%**	**-1.30%**

Section II – Actuarial Assumptions and Methods for Funding

Basis for Assumptions

As required under Part II, Section 24-61 of the Burlington Code of Ordinances, experience studies are performed at least once in every five-year period. Schedule B of this report outlines the full set of actuarial assumptions and methods employed in the current valuation. The assumptions were based on a recent experience study covering the period from July 1, 2007, through June 30, 2012. The assumptions were adopted by the Board on the basis of the study.

Interest Rate

8% per annum, compounded annually.

Separations before Normal Retirement

Representative values of the assumed annual rates of withdrawal and vesting, early service retirement, death and disability are as follows:

Class A Members				
Age	Withdrawal and Vesting	Early Service Retirement	Death[1]	Disability[1]
20	14.0%			
25	7.0		.1%	.2%
30	6.0		.1	.3
35	6.0		.1	.4
40	5.0		.1	.5
42	4.6		.1	.6
45	4.0	15.0%	.1	.7
50	3.0	15.0	.2	1.3
53	1.2	20.0	.3	1.8
54	0.6	20.0	.3	2.0

Class B Members				
Age	Withdrawal and Vesting[2]	Early Service Retirement	Death[1]	Disability[1]
25	15.0%		.1%	.1%
30	12.0		.1	.1
35	10.0		.1	.1
40	4.0		.1	.2
45	4.0		.1	.3
50	4.0		.2	.5
55	4.0	5.0%	.4	.9
60	4.0	10.0	.6	1.7
61	4.0	15.0	.7	2.1
62	4.0	20.0	.8	2.5
63	4.0	25.0	1.0	2.9
64	4.0	25.0	1.1	3.4

[1] Rates reflect both ordinary and accidental occurrences.

[2] Rates are assumed to be higher during the first three years of membership (i.e., 27.5% at age 25, 22% at ages 30 and 35, 16.5% at ages 40 - 64).

Section II – Actuarial Assumptions and Methods for Funding (continued)

Normal Service Retirement

The representative values of the assumed rates of normal service retirement are as follows:

Age	Class A	Age	Class B
55	20.0%	65	25.0%
56	20.0	66	20.0
57	20.0	67	25.0
58	20.0	68	20.0
59	20.0	69	25.0
60	100.0	70	100.0

Benefit Commencement after Separation

Class A vested terminations are assumed to commence benefits at age 55. Class B vested terminations prior to June 30, 2000 are assumed to commence at age 65. Class B vested retirements after June 30, 2000 are assumed to commence at age 55 with a reduced benefit.

Salary Increases

Representative values of the assumed annual rates of future salary increase are as follows:

Age	Class A&B
25	8.8%
30	7.0
35	5.6
40	4.9
45	4.6
50	4.3
55	4.0
59	3.9
60	3.9
65	3.8
69	3.8

For Class A Firemen and Class B AFSCME employees, salary increases rates as described above were reduced by 2% during fiscal year 2015, 1.5% during fiscal 2016, 0.5% during fiscal 2017 and 0.25% during fiscal 2018 to reflect lower short term salary increase per the collective bargaining agreements in place.

Deaths after Retirement

105% of the probabilities in the RP-2000 Combined Mortality Tables for Males and Females with full generational projection by Scale BB.

Future Expenses

No provisions made.

Adjustments to Allowances

Cost-of-living increases averaging 3% per year were assumed. For employees retiring after 7/1/16, cost-of-living increases were capped at 2.75%.

Section II – Actuarial Assumptions and Methods for Funding (continued)

Accrual Rate Election

85% of retiring members are assumed to elect the no-COLA accrual rate and 15% of retiring members are assumed to elect the full-COLA accrual rate.

Funding Method

Entry Age Normal with level percentage of salary. Gains (losses), as they occur, reduce (increase) the unfunded past service cost.

Asset Valuation Method

Based on a ten-year expected value of assets method in which actuarial assets are set equal to the market value of assets as of the valuation date plus:

i) nine-tenths of the difference between the expected return on market assets and the actual return on market assets during the year preceding the valuation;

ii) eight-tenths of the difference between the expected return on market assets and the actual return on market assets during the second year preceding the valuation;

ii) seven-tenths of the difference between the expected return on market assets and the actual return on market assets during the third year preceding the valuation; and

iv) six-tenths of the difference between the expected return on market assets and the actual return on market assets during the fourth year preceding the valuation.

Expected return is equal to a year of expected investment earnings (based on the valuation interest rate) on the market value of assets as of the beginning of the year and the cash flow (contributions minus benefit payments) during the year, assuming mid-year contributions and benefit payments.

Difference between the expected return on market assets and the actual return on market assets for the 2011 fiscal year and prior are ignored for this purpose.

Revisions from Prior Year Assumptions

The asset valuation method for funding purposes changed from a five-year expected value of assets method to a ten-year expected value of assets method. This change had no effect on the accounting results.

Miscellaneous

The valuation was prepared on an ongoing-plan basis. The valuation was based on members in the System as of the valuation date and did not take future members into account. No provision has been made for contingent liabilities with respect to non-vested terminated members who may be reemployed. The valuation assumptions include an anticipated future annual rate of inflation of approximately 3% a year.

Data for Valuation

- In preparing the actuarial valuation as of June 30, 2016, the actuary relied on data and assets provided by the staff of the Retirement office. While not verifying the data at their source, the actuary has performed tests for consistency and reasonableness.
- The following is a summary of System participants as of June 30, 2016:

Retired members or beneficiaries currently receiving benefits	660
Active members	854
Terminated vested members	376

Section III – Summary of System Provisions

System Name

Burlington Employees' Retirement System

Effective Date

July 1, 1954.

Average Final Compensation (AFC)

For Class A Police non-union employees, Class A Police employees hired after January 10, 2011, Class A Fire employees hired after October 7, 2011 or Class B AFSCME Local 1343 employees hired after June 7, 2011, or Class B IBEW Local 300 employees hired after October 30, 2012, it is the average earnable compensation during the highest 5 non-overlapping 12-month periods. For all others, it is the average earnable compensation during the highest 3 non-overlapping 12-month periods.

Membership Eligibility

Regular employees of the City of Burlington excluding elective officers other than the mayor and excluding teachers other than certain teachers employed prior to July 1, 1947.

Membership Classification

Class A

Members of the Fire and Police Departments not including clerical employees.

Class B

All other members.

Service Retirement

Eligibility

Class A

For Police employees hired after January 10, 2011, age 40 and 20 years of creditable service. For Fire employees hired after October 7, 2011, age 45 and 20 years of creditable service. For all others, age 45 and 7 years of creditable service. Compulsory at age 60.

Class B

Age 55 and 7 years of creditable service.

Amount of Benefit

Class A

For Fire employees hired before January 1, 2007 and Police employees hired before July 1, 2006, 2.75% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. For Police employees hired after January 10, 2011, 2.5% of AFC times creditable service not in excess of 20 years plus 5% of AFC times creditable service between 20 and 25 years. For all others, 2.65% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. Benefit increased by Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member hired prior to July 1, 2006 may choose either (i) an accrual rate of 3.25% for the first 25 years of creditable service, plus an accrual of .5% for creditable service between 25 and 35 years, and a Cost of Living Adjustment equal to one half of the Cost of Living

Section III – Summary of System Provisions (continued)

Adjustment detailed below, or (ii) an accrual rate of 3.8% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 3.6% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual rate of .5% for creditable service between 25 and 35 years, and no Cost of Living Adjustment.

A Fire employee hired on or after January 1, 2007 or a Police employee hired on or after July 1, 2006 may only select a benefit with a full Cost of Living Adjustment.

For Police employees hired after January 10, 2011 or Fire employees hired after October 7, 2011, the above benefits based on AFC and creditable service at retirement are reduced actuarially for the period of time by which retirement precedes age 50.

For Fire employees hired on or before October 7, 2011 who retire on July 1, 2013 or later, the above benefits based on AFC and creditable service at retirement are reduced actuarially until age 48 for the period of time by which retirement precedes age 55.

For all others, prior to age 55, the above benefit based on AFC and creditable service at retirement is reduced actuarially for the period of time by which retirement precedes the earlier of 25 years of creditable service and age 55. For employees who terminate with 20 to 25 years of creditable service the above benefit based on AFC and creditable service at retirement is reduced by 1.82% for each year that creditable service is less than 25 years.

Class B

For employees hired prior to July 1, 2006: Age 65 and older, the greater of (i) 1.6% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

For employees hired on or after July 1, 2006: Age 65 and older, the greater of (i) 1.4% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member may choose (i) an accrual rate of 1.9% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 1.8% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of .5% for creditable service in excess of 25 years, and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 2.2% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 2.0% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of .5% for creditable service in excess of 25 years, and no Cost of Living Adjustment.

Except for employees detailed below, prior to age 65, the above benefit based on AFC and creditable service at retirement reduced by 2% for each year that retirement precedes age 65. For Class B IBEW employees hired before May 1, 2008, who elect a contribution rate of 4% is elected the early reduction factor is 2% for each year the retirement precedes age 65. For Class B IBEW employees hired before May 1, 2008, who elect a contribution rate of 3% the benefit is reduced by a factor which varies with age. The factor equals 1 at 65 and .4 at 50.

For Class B IBEW employees hired after May 1, 2008, the benefit is reduced by a factor which varies by age. The factor equals 1 at 65 but is equal to .356 at age 55.

Section III – Summary of System Provisions (continued)

For Class B AFSCME Local 1343 employees hired before January 1, 2006 that meet the Rule of 82 by December 7, 2011 but retire later than December 7, 2011, the reduction is 4% per year at ages 55 to 59 for each year under age 65, and the standard 2% per year reduction for ages 60 to 65. For other Class B AFSCME Local 1343 employees retiring after December 7, 2011, there will be full actuarial reduction from ages 55 to 59 and the standard 2% per year reduction for ages 60 to 65.

Cost of Living Adjustment

Benefits increase annually by changes in the Consumer Price Index of more than 1%. For Class A Firemen and Class B AFSCME employees retiring after 11/2/15, the maximum annual increase is 2.75%. For all other participants, the maximum annual increase is 6%. Increases are not applicable to deferred vested benefit prior to commencement, survivor income benefit, disability benefit prior to normal retirement age or members who choose to have no cost of living adjustment. For all employees retiring after July 1, 2016, the maximum annual increase is 2.75%.

Service Adjustment

Class A service for calculation of benefits shall be adjusted such that any Class A employee shall be granted 1.07 years of credit for each year in which the employee worked prior to July 1, 1996, and 1.17 years thereafter, in a position regularly assigned a workweek consisting on average of fifty-three or more hours of work per week.

Disability Retirement

Eligibility

All Members. Permanently disabled. Class B AFSCME Local 1343 employees must have 2 years of creditable service to be eligible for disabilities that are not work-related. Class A Fire employees hired after October 7, 2011 must have 1 year of creditable service to be eligible for disabilities that are not work-related. All other employees are immediately eligible.

Amount of Benefit

A benefit payable until normal service retirement eligibility (Class A - age 55 and 7 years of creditable service, Class B - age 65 and 7 years of creditable service). For Class A Fire employees hired after October 7, 2011, it is equal to 66 2/3% of the member's earnable compensation less workmen's compensation. For Class B IBEW employees hired after October 20, 2012, it is equal to 66 2/3% of the member’s earnable compensation less workmen’s compensation. For Class B AFSCME employees, it is equal to 66 2/3% of the member's earnable compensation less workmen's compensation and Social Security. For all others, it is equal to 75% of the member's earnable compensation less workmen's compensation and, in the case of Class B, less Social Security.

After normal service retirement eligibility, a service retirement benefit based on AFC at retirement and creditable service at normal service retirement eligibility, including the period while permanently disabled and receiving a disability benefit from the System.

Accidental Death

Eligibility

Class A only. Death due to accident while in the performance of duty.

Amount of Benefit

A benefit to the spouse until death or remarriage of the greater of (i) 55% of AFC, and (ii) the participant’s current accrued retirement benefit. Upon death or remarriage of the spouse, the benefit will be payable to children until age 21.

Section III – Summary of System Provisions (continued)

Survivor Income

Eligibility

All Members. Death in active service.

Amount of Benefit

Class A

30% of compensation during the July preceding death payable to spouse until earlier of death or 2nd anniversary of remarriage. An additional 5% per unmarried child under 21 (maximum additional 10%) is payable until benefits cease or children no longer eligible. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

Class B

30% of compensation during the July preceding death payable to spouse until earlier of death, 2nd anniversary of remarriage or age 62. Upon the spouse's attainment of age 62 (if not remarried) a benefit based on the 50% Joint and Survivor form of payment will be paid to the spouse for life. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

Return of Contributions

Accumulated contributions returned upon separation with no vested benefits under the plan or upon death with no accidental death benefit payable.

Upon death of a retired member, the excess of his contribution at retirement over the benefits paid will be paid to his beneficiary or estate.

Vested Retirement

Eligibility

For Class A Fire and Class B AFSCME employees, 5 years of creditable service unless currently vested, all others, 3 years of creditable service

Vesting percentage

For Class A Fire and Class B AFSCME employees, 100% after 5 years, and 0% before that unless already partially vested as of July 1, 2015 under the prior vesting schedule.

For all others, a percentage grading from 20% after completion of 3 years of service to 100% after completion of 7 years of service.

Amount of Benefit

Class A

Vesting percentage times the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 55. Member may elect early receipt with reduction as for service retirement prior to age 55.

Class B

Vesting percentage times the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 65. Member may elect early receipt with reduction as for service retirement prior to age 65.

Section III – Summary of System Provisions (continued)

Survivor Spouse's Pension

Eligibility

All Members. Death of a terminated member entitled to a vested retirement benefit prior to commencement of such benefit.

Amount of Benefit

50% of reduced accrued benefit reflecting the 50% Joint and Survivor form of payment (ages as of date payments commence) payable at member's early retirement date.

Spouse may elect to receive payments later than member's early retirement date with no reduction for receipt at member's 65th birthday.

Offsets on Benefits

Disability and accidental death benefits are offset by workmen's compensation paid for the same disability or death.

Contributions

By Members

Class A

11.0% of earnable compensation for Class A employees for the first 35 years of creditable service, none thereafter.

Class B

-Member contributions for Class B employees, who elected to continue to be eligible for early retirement benefits at 2% per year deduction between ages 55 and 65, in accordance with the 2006-09 collective bargaining agreement will be 4.8% in fiscal year 2017, and 5.2% beginning with fiscal year 2018.

-Member contributions for all other Class B employees will be will be 3.8% in fiscal year 2017, and 4.2% beginning with fiscal year 2018.

By City

Remainder necessary to fund for the benefits of the System on an actuarial basis. With the exception that if actuarially determined employer contribution exceeds $9 million for fiscal year 2017, all the employee contributions will automatically increase up to 1% of wages and then re-set at the end of the year. If the actuarially determined employer contribution exceeds $9 million for fiscal year 2018, the contribution will increase up to 2% and then re-set; further, if those increases are not enough to keep the ADEC at $9M, the City may reopen the financial components of the Agreement (Backup trigger).

Section III – Summary of System Provisions (continued)

Revisions from Prior Year Plan Provisions

Effective with this valuation, provisions under the new contracts for covered employees were reflected as follows:

- Member contributions for Class B employees, who elected to continue to be eligible for early retirement benefits at 2% per year deduction between ages 55 and 65, in accordance with the 2006-09 collective bargaining agreement will be 4.8% in fiscal year 2017, and 5.2% beginning with fiscal year 2018.
- Member contributions for all other Class B employees will be will be 3.8% in fiscal year 2017, and 4.2% beginning with fiscal year 2018.
- All employees who leave and withdraw their contributions will now receive interest of 2% per year on their contribution balances.
- Cost-of-living adjustments for all future retirees will be subject to a maximum of 2.75%.