Village of Morton
Police Pension Fund

May 1, 2022

Actuarial Valuation Report

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At the request of the plan sponsor, this report summarizes the Village of Morton Police Pension Fund as of May 1, 2022 . The purpose of this report is to communicate the following results of the valuation:

• Funded Status;
• Recommended Village Contribution;
• Statutory Minimum Contribution;

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the administrator. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

The actuarial assumptions and methods were chosen by the employer. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. 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;
• 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); and
• changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart

Nick H. Meggos, FCA, EA

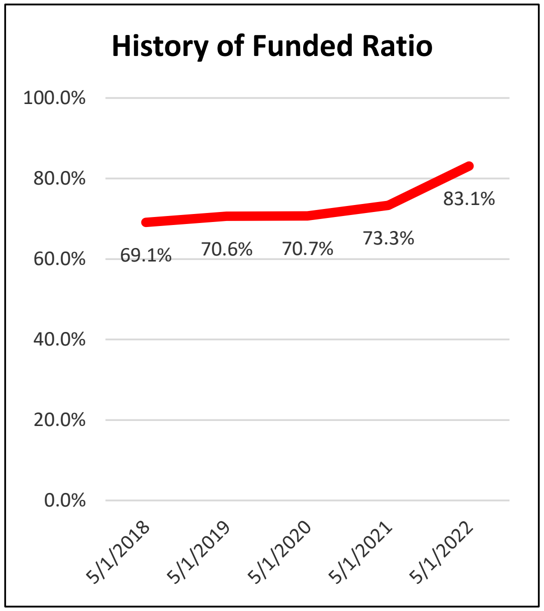
Jennifer Turk, FSA, EA, MAAA

October 5, 2022
Date

Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The Accrued Liability is based on the Projected Unit Credit actuarial cost method.

	May 1, 2021	May 1, 2022
Funded Status Measures		
Accrued Liability	$ 22,219,843	$ 21,086,307
Actuarial Value of Assets	16,297,318	17,527,703
Unfunded Accrued Liability	$ 5,922,525	$ 3,558,604
Funded Percentage (AVA)	73.3%	83.1%
Funded percentage (MVA)	83.0%	82.0%
Cost Measures		
Total Recommended Pension Contribution	$ 915,437	$ 755,123
Expected Employee Contributions	(170,662)	(175,765)
Net Recommended Village Contribution	$ 744,775	$ 579,358
- as a Percentage of Payroll	44.5%	34.9%
Asset Measures		
Market Value of Assets (MVA)	$ 18,451,365	$ 17,284,303
Actuarial Value of Assets (AVA)	$ 16,297,318	$ 17,527,703
Actuarial Value/Market Value	88.3%	101.4%
Participant Information		
Active Participants	21	20
Terminated Vested Participants	1	2
Retirees, Beneficiaries, and Disabled Participants	15	15
Total	37	37
Payroll	$ 1,671,956	$ 1,660,688



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Changes since Prior Valuation and Key Notes

The mortality, retirement, withdrawal, disability, and salary scale assumptions were changed as a result of the Illinois Police Officers' Pension Consolidated Investment Fund Actuarial Experience Study published March 4, 2022. These changes increased benefit obligations and contributions.

The interest rate was changed from 6.0% to 6.8%. This change decreased benefit obligations and contributions.

History of Valuation Results

	5/1/2018	5/1/2019	5/1/2020	5/1/2021	5/1/2022
Plan Funding					
Accrued Liability	$ 18,733,298	$ 19,694,228	$ 20,973,980	$ 22,219,843	$ 21,086,307
Actuarial Value of Assets	12,946,375	13,906,423	14,820,558	16,297,318	17,527,703
Unfunded Accrued Liability	$ 5,786,923	$ 5,787,805	$ 6,153,422	$ 5,922,525	$ 3,558,604
Funded Percentage	69.1%	70.6%	70.7%	73.3%	83.1%
Normal Cost (NC)	$ 526,190	$ 515,093	$ 478,079	$ 495,374	$ 432,040
NC as a Percent of Covered Payroll	31.3%	31.0%	29.8%	29.6%	26.0%
Actual Contribution	$ 714,512	$ 781,996	$ 787,451	$ 859,626	To Be Determined
Recommended Contribution	$ 725,716	$ 728,607	$ 734,035	$ 744,775	$ 579,358
Recommended Contribution (% of Pay)	43.1%	43.9%	45.7%	44.5%	34.9%
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.80%
Rate of Return					
Actuarial Value of Assets	4.7%	5.4%	4.3%	9.6%	7.1%
Market Value of Assets	7.1%	5.6%	0.4%	28.8%	-6.7%
Demographic Information					
Active Participants	22	21	20	21	20
Retired Participants	9	10	12	14	13
Beneficiaries	1	1	1	-	1
Disabled Participants	1	1	1	1	1
Terminated Vested Participants	-	-	-	1	2
Total Participants	33	33	34	37	37
Covered Payroll	$ 1,682,054	$ 1,660,920	$ 1,606,157	$ 1,671,956	$ 1,660,688
Average Covered Pay	$ 76,457	$ 79,091	$ 80,308	$ 79,617	$ 83,034

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Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the Village of Morton Police Pension Fund. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

Type of Risk	Method to Assess Risk
Investment Return	Scenario Testing; Asset Liability Study
Participant Longevity	Projections and Contribution Strategy
Early Retirement	Scenario Testing
Salary Growth	Scenario Testing

Plan Maturity Measures - May 1, 2022

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the Village of Morton Police Pension Fund falls in its life-cycle.

Duration of Liabilities: 16.7
Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 54.1%
A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

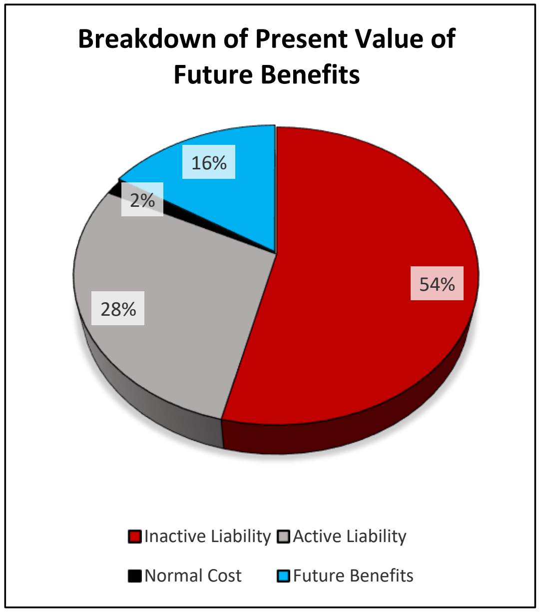
Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 9.6%
Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 5.4%
As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

Present Value of Future Benefits

The Present Value of Future Benefits represents the future benefits payable to the existing participants.

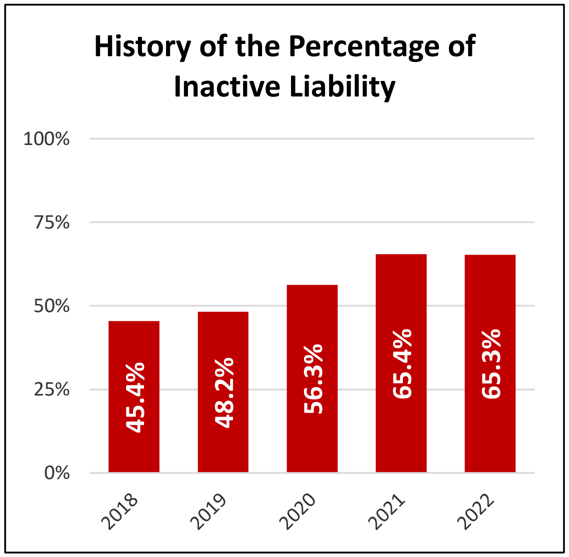
	May 1, 2022
Present Value of Future Benefits	
Active Participants	
Retirement	$ 10,391,698
Disability	772,089
Death	109,557
Termination	549,796
Total Active	$ 11,823,140
Inactive participants	
Retired Participants	$ 12,832,972
Beneficiaries	211,081
Disabled Participants	710,429
Terminated Vested Participants	11,034
Total Inactive	$ 13,765,516
Total	$ 25,588,656
Present Value of Future Payrolls	$ 17,653,778
Present Value of Future Employee Contributions	$ 1,749,489



Accrued Liability

The Funding Liability measures the present value of benefits earned as of the valuation date, using the actuarial assumptions described in the assumption section of this report and the Projected Unit Credit actuarial cost method.

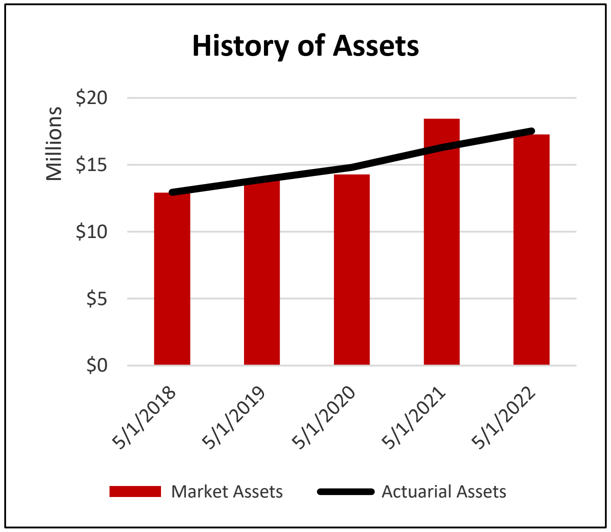
	May 1, 2022
Funding Liabilities	
Active Participants	
Retirement	$ 6,433,851
Disability	501,324
Death	68,090
Termination	317,526
Total Active	$ 7,320,791
Inactive Participants	
Retired Participants	$ 12,832,972
Beneficiaries	211,081
Disabled Participants	710,429
Terminated Vested Participants	11,034
Total Inactive	$ 13,765,516
Total	$ 21,086,307
Normal Cost	$ 432,040



Asset Information

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	May 1, 2022
Market Value Reconciliation	
Market Value of Assets, Beginning of Prior Year	$ 18,451,365
Contributions	
Employer Contributions	$ 859,626
Member Contributions	174,432
Total	$ 1,034,058
Investment Income	(1,234,107)
Benefit Payments	(956,312)
Administrative Expenses	(10,701)
Market Value of Assets, Beginning of Current Year	$ 17,284,303
Return on Market Value	-6.7%
Actuarial value of assets	
Value at Beginning of Current Year	$ 17,527,703



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Asset Information (continued)

Plan Assets are used to develop funded percentages and contribution requirements.

	May 1, 2022
1. Expected Market Value of Assets	
(a) Market Value of Assets, Beginning of Prior Year	$ 18,451,365
(b) Contributions	1,034,058
(c) Benefit Payments	(956,312)
(d) Administrative Expenses	(10,701)
(e) Expected Return	1,109,093
(f) Expected Market Value of Assets, Beginning of Current Year	$ 19,627,503
2. Market Value of Assets, Beginning of Current Year	$ 17,284,303
3. Actual Return on Market Value	$ (1,234,107)
4. Amount Subject to Phase-in [(3)-(1e)]	$ (2,343,200)
5. Phase-in of Asset Gain/(Loss)	
(a) Current Year [80% x $ (2,343,200)]	$ (1,874,560)
(b) First Prior Year [60% x $ 3,258,231]	1,954,939
(c) Second Prior Year [40% x $ (783,696)]	(313,478)
(d) Third Prior Year [20% x $ (51,506)]	(10,301)
(e) Total Phase-in	$ (243,400)
6. Actuarial Value of Assets, Beginning of Current Year [(2)-(5e)]	$ 17,527,703
7. Return on Actuarial Value of Assets	7.1%

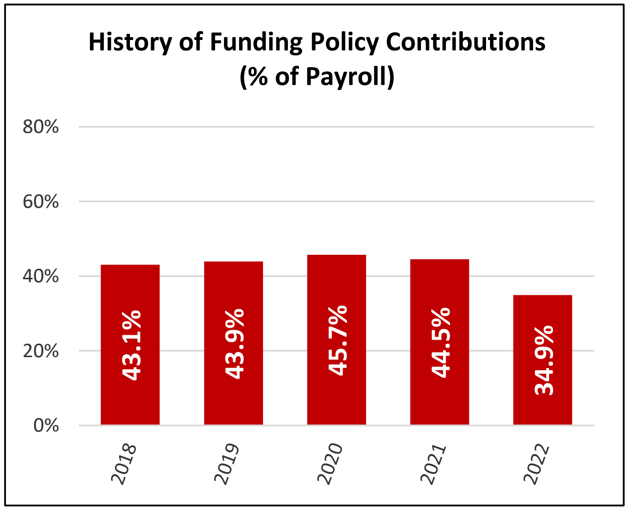
Reconciliation of Gain/Loss

	May 1, 2022
Liability (Gain)/Loss	
Actuarial Liability, Beginning of Prior Year	$ 22,219,843
Normal Cost	495,374
Benefit Payments	(956,312)
Expected Interest	1,334,224
Expected Actuarial Liability, Beginning of Current Year	$ 23,093,129
Actual Actuarial Liability, Before Changes	$ 23,144,854
Liability (Gain)/Loss	$ 51,725
Asset (Gain)/Loss	
Actuarial Value of Assets, Beginning of Prior Year	$ 16,297,318
Contributions	1,034,058
Benefit Payments and Administrative Expenses	(967,013)
Expected Return	979,850
Expected Actuarial Value of Assets, Beginning of Current Year	$ 17,344,213
Actual Actuarial Value of Assets, Beginning of Current Year	$ 17,527,703
Asset (Gain)/Loss	$ (183,490)
Total (Gain)/Loss	$ (131,765)

Development of Recommended Contribution

The recommended contribution is the annual amount needed to fund the plan to 100% by the end of the 2040 fiscal year as a level percentage of payroll, using the Projected Unit Credit actuarial cost method. The recommended contribution is subject to the State statutory minimum, which is the annual amount needed to fund the plan to 90% by the end of the 2040 fiscal year as a level percentage of payroll, using the Projected Unit Credit actuarial cost method.

	May 1, 2022
Funded Position	
1. Projected Unit Credit Accrued Liability	$ 21,086,307
2. 100% of Projected Unit Credit Accrued Liability	$ 21,086,307
3. Actuarial Value of Assets	17,527,703
4. Unfunded Actuarial Accrued Liability (UAAL) (2 – 3)	$ 3,558,604
Recommended Contribution	
1. Normal Cost	$ 432,040
2. Administrative Expenses	10,701
3. Amortization of UAAL	264,303
4. Applicable Interest	48,079
5. Total Recommended Contribution	$ 755,123
6. Expected Employee Contributions	175,765
7. Net Recommended Village Contribution (5 – 6)	$ 579,358
8. Minimum Contribution (Public Act 096-1495 Tax Levy Requirement)	$ 412,097
9. Final Contribution [max (7,8)]	$ 579,358
As a Percentage of Expected Payroll	34.9%



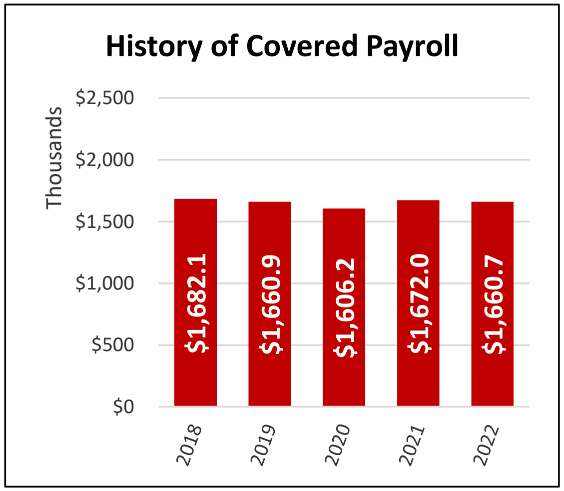
The Plan's Normal Cost plus interest on the Unfunded Actuarial Accrued Liability is $ 527,639 .

A contribution greater than the Normal Cost plus interest on the Unfunded Actuarial Accrued Liability will reduce the Unfunded Actuarial Accrued Liability, if all other assumptions are met. A contribution less than the Normal Cost plus interest on the Unfunded Actuarial Accrued Liability will increase the Unfunded Actuarial Accrued Liability, if all other assumptions are met. Consider making a contribution greater than the Normal Cost plus interest on the Unfunded Actuarial Accrued Liability in order to pay down the Plan's shortfall more rapidly if that amount is greater than your funding policy contribution.

Demographic Information

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	May 1, 2021	May 1, 2022
Participant Counts		
Active Participants	21	20
Retired Participants	14	13
Beneficiaries	-	1
Disabled Participants	1	1
Terminated Vested Participants	1	2
Total Participants	37	37
Active Participant Demographics		
Average Age	38.6	39.5
Average Service	12.4	13.6
Average Compensation	$ 79,617	$ 83,034
Covered Payroll	$ 1,671,956	$ 1,660,688



Demographic Information (continued)

	May 1, 2021	May 1, 2022
Retiree Statistics		
Average Age	65.6	64.6
Average Monthly Pension Benefit	$ 4,977	$ 5,258
Beneficiary Statistics		
Average Age	N/A	89.7
Average Monthly Pension Benefit	$ N/A	$ 4,364
Disabled Participants Statistics		
Average Age	48.3	49.3
Average Monthly Pension Benefit	$ 3,242	$ 3,242
Terminated Participants Statistics		
Average Age	26.4	28.0
Average Monthly Pension Benefit*	$ -	$ -

* Average monthly pension benefit does not include participants eligible for a return of contributions only.

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Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	21	1	1	14	0	37
Active						
To Retired	0	0	0	0	0	0
To Disabled	0	0	0	0	0	0
To Terminated Vested	(1)	1	0	0	0	0
To Death	0	0	0	0	0	0
Terminated Nonvested (return of employee contributions)	(1)	0	0	0	0	(1)
Terminated Vested						
To Retired	0	0	0	0	0	0
Return of employee contributions	0	0	0	0	0	0
Retired						
To Death with Beneficiary	0	0	0	(1)	0	(1)
To Death without Beneficiary	0	0	0	0	0	0
Beneficiaries						
To Death	0	0	0	0	0	0
Additions	1	0	0	0	1	2
Departures	0	0	0	0	0	0
Current Year	20	2	1	13	1	37

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Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	1										1	59,516
25 to 29		2									2	69,548
30 to 34			2	1							3	85,222
35 to 39		1		2							3	72,903
40 to 44			1	1	3	1					6	84,008
45 to 49						4	1				5	96,730
50 to 54												
55 to 59												
60 to 64												
65 to 69												
70 & up												
Total	1	3	3	4	3	5	1	0	0	0	20	83,034

Eligibility for Participation

Police Officers of the Village of Morton

Accrual of Benefits

For employees hired prior to January 1, 2011, the normal retirement benefit is equal to 50% of the final salary plus 2.5% of any service over 20 years (with a maximum of 30) times the final salary. There is a minimum benefit of $1,000 per month. The benefit is paid as a 100% joint and survivor benefit with the spouse, children under 18, or dependent parents of the participants as the survivor.

For employees hired after or on January 1, 2011, the normal retirement benefit is equal to 2.5% of the final average salary times benefit service (maximum 30 years.) The benefit is paid as a 66.67% joint and survivor benefit with the spouse, children under 18, or dependent parents of the participants as the survivor.

Benefits

Normal Retirement

Eligibility	For employees hired prior to January 1, 2011, the normal retirement date is the first day of the month on or after completion of 20 years of service and attainment of age 50. For employees hired after or on January 1, 2011, the normal retirement date is the first day of the month on or after completion of 10 years of service and attainment of age 55.
Benefit	Unreduced Accrued Benefit payable immediately.

Early Retirement

Eligibility	For employees hired prior to January 1, 2011 and terminating with less than 20 years of service For employees hired after or on January 1, 2011 who has attained age 50 and has 10 years of service.
Benefit	For those hired prior to January 1, 2011 the Accrued Benefit of 2.5% of final salary times service shall be paid at age 60. For those hired after or on January 1, 2011 the Accrued Benefit is reduced by 0.5% for each month prior to age 55

Termination

Eligibility	For employees hired prior to January 1, 2011, age 60 with 8 years of service. For employees hired after or on January 1, 2011, age 55 with 10 years of service.
Benefit	Accrued benefit. Refund of contributions for employees that do not meet the eligibility criteria above.

Disability In The Line of Duty

Eligibility	For participants who become disabled in the line of duty.
Benefit	The greater of 65% of the final salary or the accrued benefit

Disability Not In The Line of Duty

Eligibility	For participants who become disabled outside of the line of duty.
Benefit	50% of the final salary

Death In the Line of Duty

Eligibility	For participants who die in the line of duty.
Benefit	The benefit is 100% of final salary paid to the survivor.

Death Not In the Line of Duty

Eligibility	For participants who die outside of the line of duty.
Benefit	For those hired before 1/1/2011 with greater than 20 years of service, a benefit of 100% of the accrued benefit is paid to the survivor. For those with more than 10 years of service, but less than 20 years of service, a benefit of 50% of the final salary is paid to the survivor. For those hired after 1/1/2011, a benefit equal to the greater of 54% of Final Salary and 66-2/3% of the accrued benefit is paid to the survivor.

Compensation

Final Salary is the salary attached to the rank held on the last day of service, or one year prior to the last day, whichever is greater.

Final Average Salary is the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Salary will not exceed $106,800 adjusted from January 1, 2011 with the lesser of 3% and 100% of the CPI on November 1.

Credited Service

For Vesting and Benefit Accrual purposes, pension service credit is based on elapsed time from hire.

Employee Contributions

9.91% of Compensation

COLA

Eligibility	All Participants
Benefit	For employees hired prior to January 1, 2011 a compound COLA of 3% is granted each year after attainment of age 55 and 1 year of payments. For employees hired after or on January 1, 2011 a simple COLA of the lesser of 3% and 50% of the CPI on November 1 is granted each year after attainment of age 60 and 1 year of payments. For disabled employees, a simple COLA is available after attainment of age 60 and 1 year of payments. For employees hired prior to January 1, 2011 the COLA is 3%. For employees hired after January 1, 2011, the COLA is the lesser of 3% and 50% of the CPI on November 1.

Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report.

Except where otherwise indicated, the following assumptions were selected by the plan sponsor with the concurrence of the actuary. Prescribed assumptions are based on the requirements of the relevant law and applicable regulations. The actuary was not able to evaluate the prescribed assumptions for reasonableness for the purpose of the measurement.

Valuation Date	May 1, 2022
Participant and Asset Information Collected as of	May 1, 2022
Actuarial Cost Method (CO)	Projected Unit Credit Cost Method
Amortization Method – Recommended Contribution (CO)	Closed level percentage of payroll amortization of 100% of the Unfunded Actuarial Accrued Liability using a 3.00% payroll growth assumption over the period ending on April 30, 2040 (18-year amortization in 2022)
Asset Method	5-year smoothing of asset gains and losses
Interest Rates (CO)	6.80%**,** net of investment expenses
Inflation (FE)	2.50%
Annual Pay Increases (FE)	11.00% - 3.50%, varies by service
Ad-hoc Cost-of-living Increases	3.0% (1.25% for those hired after 1/1/2011)
Mortality Rates (FE)	
Healthy (pre-commencement)	Pub-2010 Public Safety Employee Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010
Healthy (post-commencement)	Pub-2010 Public Safety Employee Mortality Table with 1.15 adjustment for males, with generational improvement scale MP-2021 applied from 2010 The Pub-2010 Public Safety Survivor Mortality Table with 1.15 adjustment for females, with generational improvement scale MP-2021 applied from 2010 is used for survivors.
Disabled	Pub-2010 Disabled Retiree Mortality Table with 1.08 adjustment for males, with generational improvement scale MP-2021 applied from 2010
	10% of deaths are assumed to be in the line of duty

Retirement Rates (FE)

Recommended rates from the 2022 Consolidated Experience Study. Sample rates include:

Tier I		Tier II	
Age	Rate	Age	Rate
50-54	20%	50-54	5%
55-62	25%	55	40%
63	33%	56-62	25%
64	40%	63	33%
65-69	55%	64	40%
70+	100%	65-69	55%
		70+	100%

Disability Rates (FE)

Recommended rates from the 2022 Consolidated Experience Study. Sample rates include:

Age	Rate
20	0.000%
30	0.133%
40	0.399%
50	0.675%

60% of disabilities are assumed to be in the line of duty

Termination Rates (FE)

Recommended rates from the 2022 Consolidated Experience Study. Sample rates include:

Service	Rate
0	13.00%
5	4.50%
10	2.25%
15	1.25%

Marital Status and Ages (FE)

80% of participants are assumed to be married with female spouses 3 years younger.

Expense Load

Equal to the administrative expenses paid in the prior year.

Funding Policy

Normal cost, plus an amortization of the unfunded liability as a level percent of payroll to attain 100% funding in fiscal 2040 using the Projected Unit Credit Cost Method

FE indicates an assumption representing an estimate of future experience
MD indicates an assumption representing observations of estimates inherent in market data
CO indicates as assumption representing a combination of an estimate of future experience and observations of market data

The actuarial report also shows the necessary items required for plan reporting and the any state requirements.

- ✓ Minimum contribution (Public Act 096-1495 Tax Levy Requirement)

Minimum Contribution (Public Act 096-1495 Tax Levy Requirement)

	May 1, 2022
1. Accrued liability using projected unit credit cost method	$ 21,086,307
2. 90% of Accrued liability	$ 18,977,676
3. Actuarial value of assets	17,527,703
4. Unfunded liability to be amortized [(2)-(3)]	$ 1,449,973
5. Total normal cost using projected unit credit cost method	$ 432,040
6. Administrative expenses	10,701
7. 18-year level pay amortization of (4)	107,692
8. Applicable interest	37,429
9. Minimum contribution (5 + 6 + 7 + 8)	$ 587,862
10. Expected employee contributions	175,765
11. Net employer minimum contribution (9 – 10)	$ 412,097

Actuarial Cost Method Projected Unit Credit

Amortization Method Closed level percentage of payroll amortization of 90% of Unfunded Actuarial Accrued Liability using a 3.00% payroll growth assumption over the period ending on April 30, 2040 (18-year amortization in 2022)

Asset Method 5-year smoothing of asset gains and losses

Interest Rate 6.80%, net of investment expenses