MILLIMAN VALUATION REPORT

Bloomfield Township
Other Post-Employment Benefits Program

Actuarial Valuation as of April 1, 2026
To Determine Funding for Fiscal Year 2027-28

Prepared by

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Principal and Consulting Actuary

Milliman

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Certification

As part of our engagement with the Bloomfield Township ("Township"), we have performed an actuarial valuation of the Plan as of April 1, 2026. Our findings are set forth in this actuary's report. The main purposes of this valuation are to determine funding for fiscal year 2027-28, to review the Plan's experience since the prior valuation, and to assess the funded position of the Plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Plan. The calculations in this report have been made on a basis consistent with our understanding of the Plan's funding policy and on our understanding of the plan provisions as summarized in this report. Determinations for purposes other than meeting these requirements, such as for financial reporting in accordance with GASB standards, may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

We believe that the measures of funded status contained herein are appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations and for assessing the need for or the amount of future contributions.

Actuarial assumptions, including interest rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Township, who is responsible for selecting the Plan's funding policy, actuarial cost methods, asset valuation methods, and actuarial assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The Township is solely responsible for communicating to Milliman any changes thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

This valuation is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Certification (continued)

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Township. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

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

The valuation results were developed using models intended for valuations that use standard actuarial techniques. Milliman has developed certain models to develop the expected long term rate of return on assets and estimate the claim costs and trend used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct* and *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. Assumptions related to the claims cost and healthcare trend (cost inflation) rates for the retiree healthcare program discussed in this report were determined by Milliman actuaries qualified in such matters.

Jack Chmielewski

Jack Chmielewski, FSA, EA, MAAA
Principal and Consulting Actuary

i. Summary of Principal Results

Actuarial Valution for Plan Year Beginning	April 1, 2024	April 1, 2026
Membership		
Active Members	101	79
Members Receiving Benefits	223	269
Total Count	324	348
Payroll	$9,237,009	$7,777,147
Assets and Liabilities		
Market Value of Assets	$27,608,529	$36,950,664
Accrued Liability for Active Members	35,603,592	36,882,085
Accrued Liability for Members Receiving Benefits	62,249,419	83,132,348
Total Accrued Liability	97,853,011	120,014,433
Unfunded Accrued Liability	70,244,482	83,063,769
Funded Ratio	28.2%	30.8%
Actuarially Determined Contribution		
For Fiscal Year	2025-26	2027-28
Normal Cost	$1,160,796	$1,068,409
Past Service Cost	7,129,477	9,346,792
Interest	497,416	624,912
Actuarially Determined Contribution	8,787,689	11,040,113
Allocated to Fire	3,212,260	3,855,753
Allocated to Police	4,194,831	5,437,148
Allocated to Town	1,692,918	2,224,252
Allocated to Cable Studio	(83,962)	(109,501)
Allocated to Building Inspection Fund	(149,417)	(198,472)
Allocated to Water & Sewer	(78,941)	(169,067)
Total	8,787,689	11,040,113

ii. Changes Since the Prior Valuation

Demographic Changes and Plan Experience

From April 1, 2024 to April 1, 2026 the overall membership stayed the same at 509. The number of active members decreased from 101 to 79, and the total number of members and spouses/dependents receiving benefits increased from 408 to 430.

The average age of active members increased from 47.7 to 48.3, and the average age of members receiving benefits increased from 70.0 to 71.5.

We updated expected claims costs based on our analysis of the claims experience and premium information that was provided to us for this valuation. Per capita healthcare costs increased more than expected. These changes, combined with the removal of aging for dental benefits, increased the Unfunded Accrued Liability by about $9,582,000 and the Actuarially Determined Contribution by about $1,240,000.

Plan Changes

None.

Changes in Actuarial Methods and Assumptions

We updated the medical and dental trend assumptions to better reflect anticipated future experience. In addition, we updated the mortality tables from Pub-2010 to Pub-2016. These changes, in combination, increased the Unfunded Accrued Liability by about $6,961,000 and the Actuarially Determined Contribution by about $913,000.

Other Significant Changes

None.

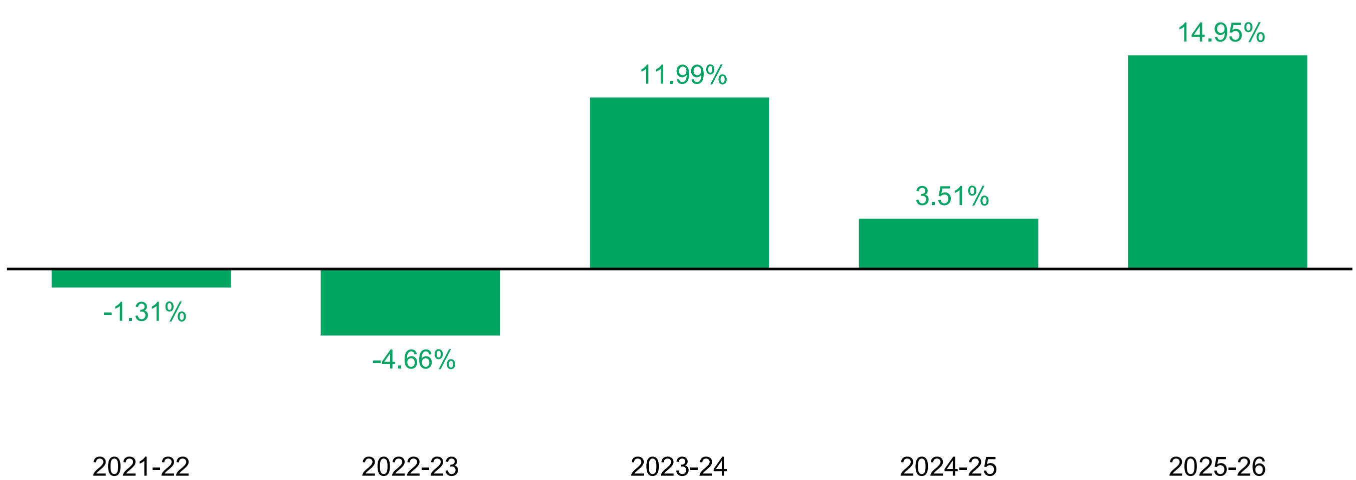
iii. Asset Performance

The Market Value is a snapshot of the plan's investments as of the valuation date.

	Market Value
Value as of April 1, 2024	$27,608,529
Township Contributions	5,877,679
Investment Income	989,532
Benefit Payments and Administrative Expenses	(4,646,838)
Value as of April 1, 2025	29,828,902
Township Contributions	7,365,417
Investment Income	4,643,375
Benefit Payments and Administrative Expenses	(4,887,030)
Value as of April 1, 2026	36,950,664

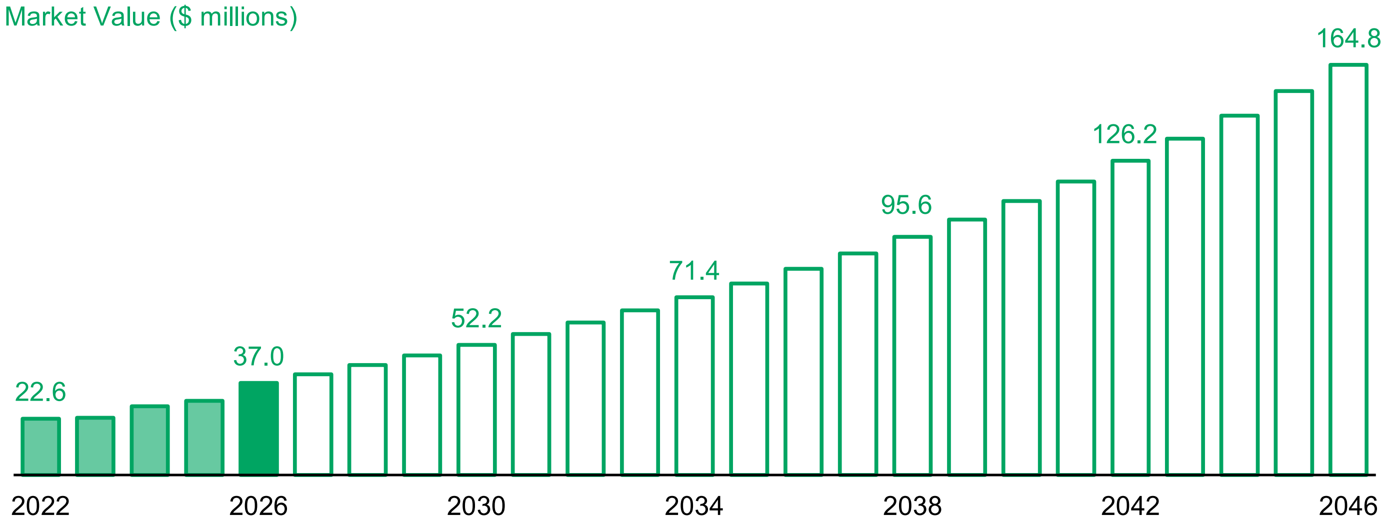
For fiscal year 2024-25, the plan's assets earned 3.51% on a Market Value basis. The interest rate assumption for this period was 6.00%, so the result was a loss of about $0.7 million. For fiscal year 2025-26, the plan's assets earned 14.95% on a Market Value basis. The interest rate assumption for this period was 6.00%, so the result was a gain of about $2.8 million.

Historical rates of return are shown in the graph below:

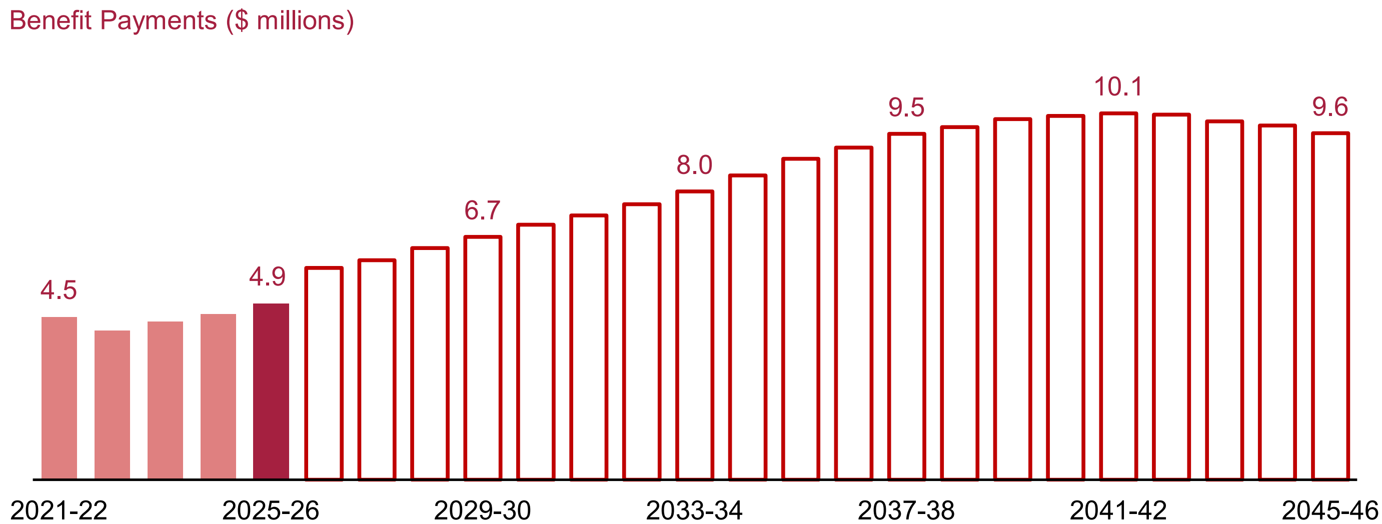


iv. Asset Forecast

The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Township always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.



In 2025-26, the plan paid out $4.9 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of $170 million in benefits to members.

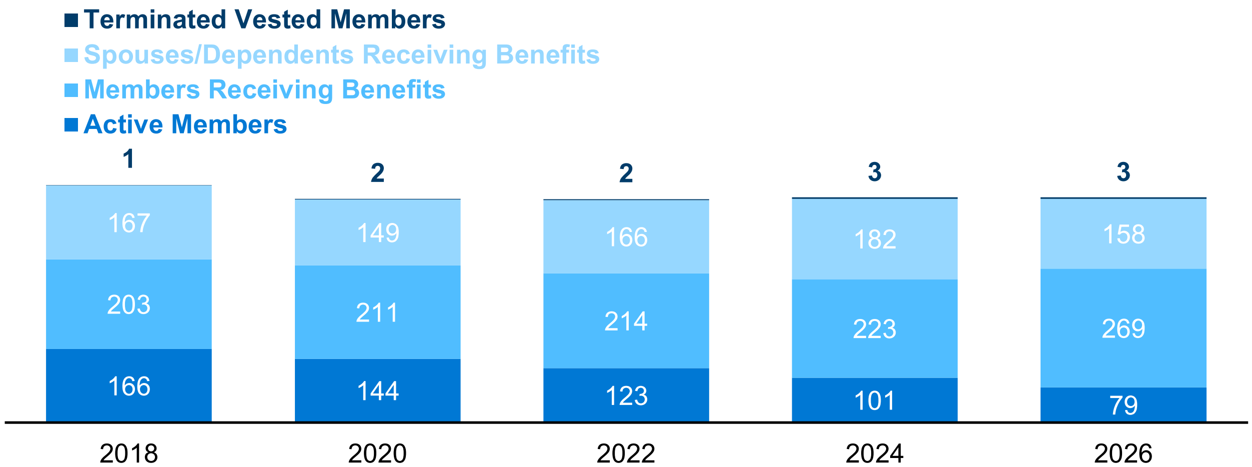


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

v. Membership

Overview

There are four basic categories of plan members included in the valuation: (1) terminated members who are no longer active, but have satisfied the service requirements to receive benefits in the future, (2) spouses and beneficiaries of members who are receiving benefits, (3) members who are receiving benefits and (4) active employees who have met the eligibility requirements for membership.

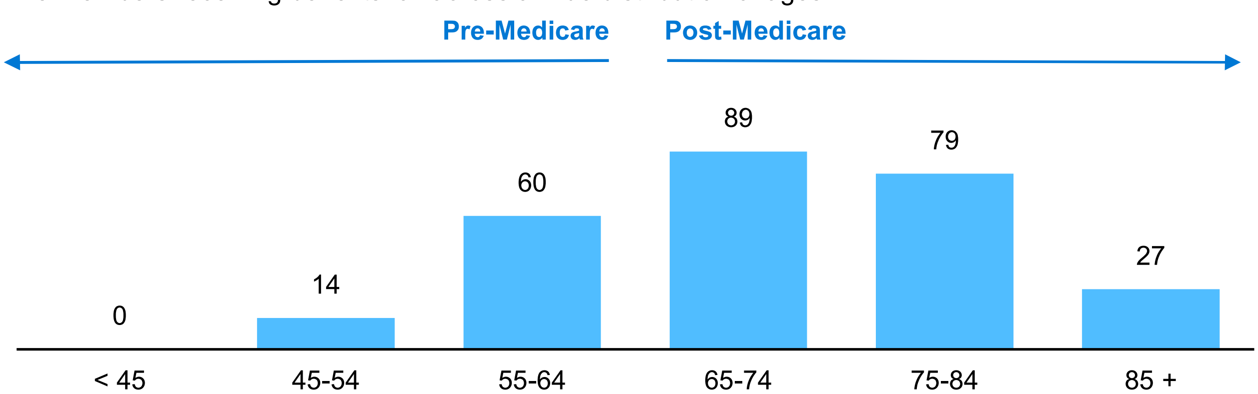


Members Receiving Benefits on April 1, 2026

Fire	73	Average Age	71.5
Police	89		
Town	79		
Cable Studio	5		
Building Inspection Fund	9		
Water & Sewer	14		
Total	269		

As of July 1, 2026, there were 269 members receiving benefits and 158 spouses/dependents receiving benefits.

The members receiving benefits fall across a wide distribution of ages:



v. Membership (continued)

Active Members on April 1, 2026

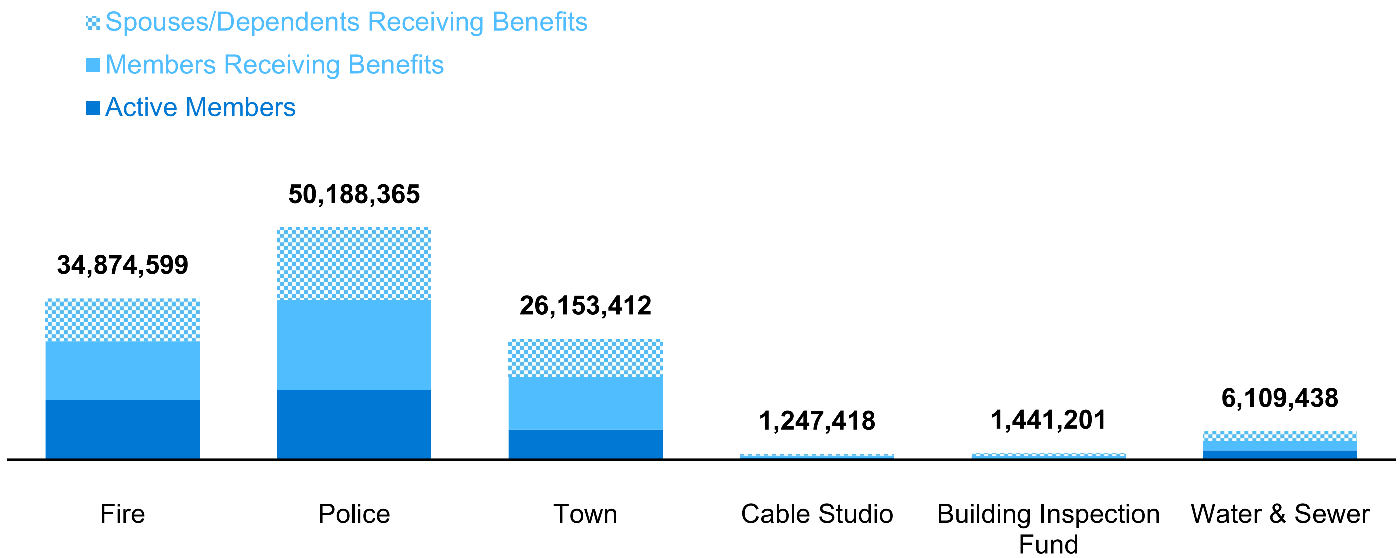
Fire	26	Average Age	48.3
Police	28	Average Service	22.7
Town	19	Payroll	$7,777,147
Cable Studio	1	Average Payroll	98,445
Building Inspection Fund	0		
Water & Sewer	5		
Total	79		

The table below illustrates the age and years of service of the active membership:

	Years of Service							
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	**Total**
< 25								0
25-29								0
30-34								0
35-39				2				2
40-44				7	8			15
45-49			1	7	22	6		36
50-54				1	5	12	1	19
55-59					2			2
60-64					4	1		5
65+								0
Total	0	0	1	17	41	19	1	79

vi. Accrued Liability

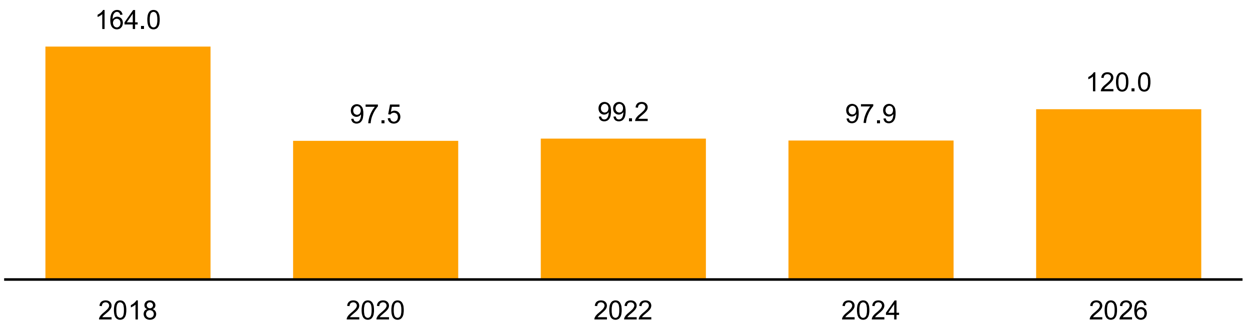
The Accrued Liability as of April 1, 2026 equals $120,014,433, which consists of the following pieces (in $ millions):



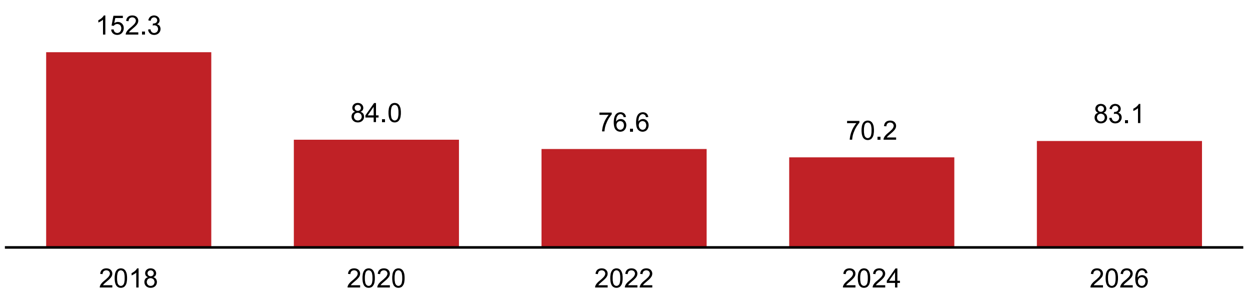
vii. Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members receiving benefits receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Market Value of Assets; the Funded Ratio is the ratio of the two.

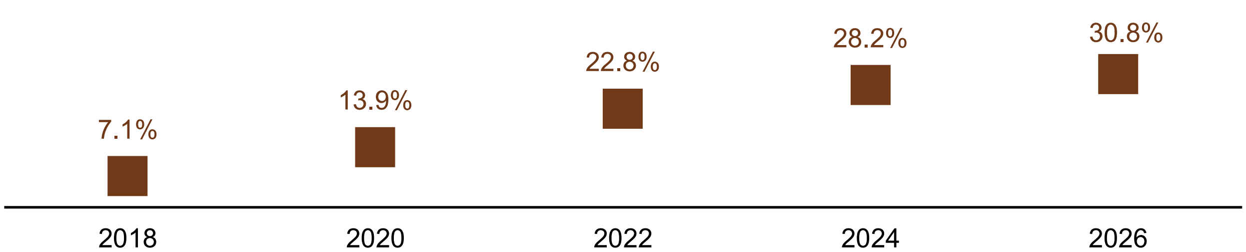
Accrued Liability ($ millions)



Unfunded Accrued Liability ($ millions)

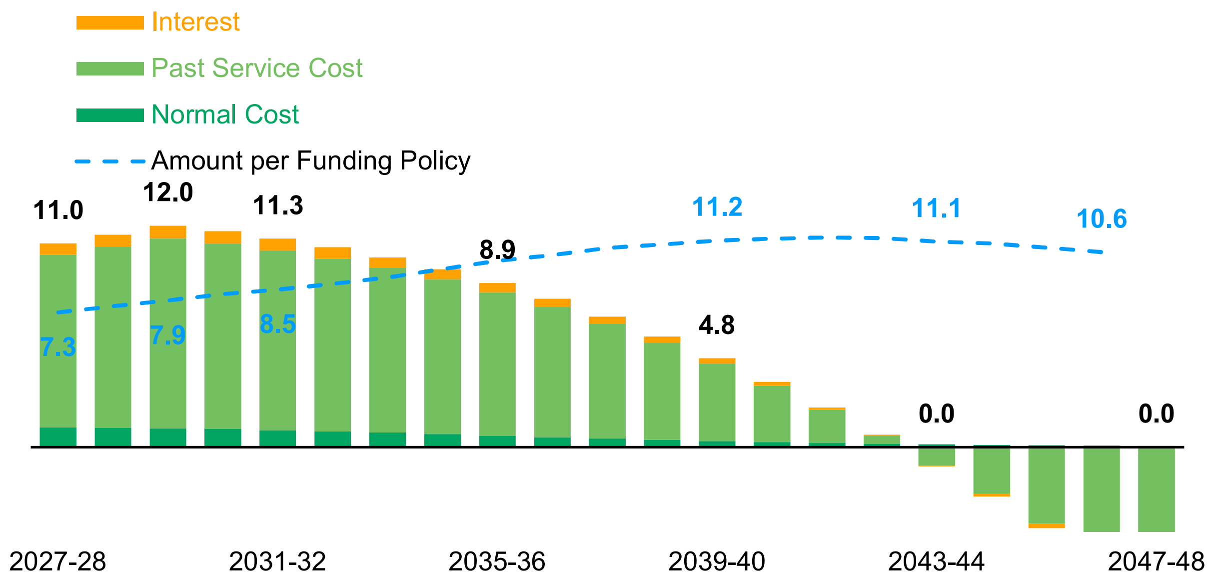


Funded Ratio

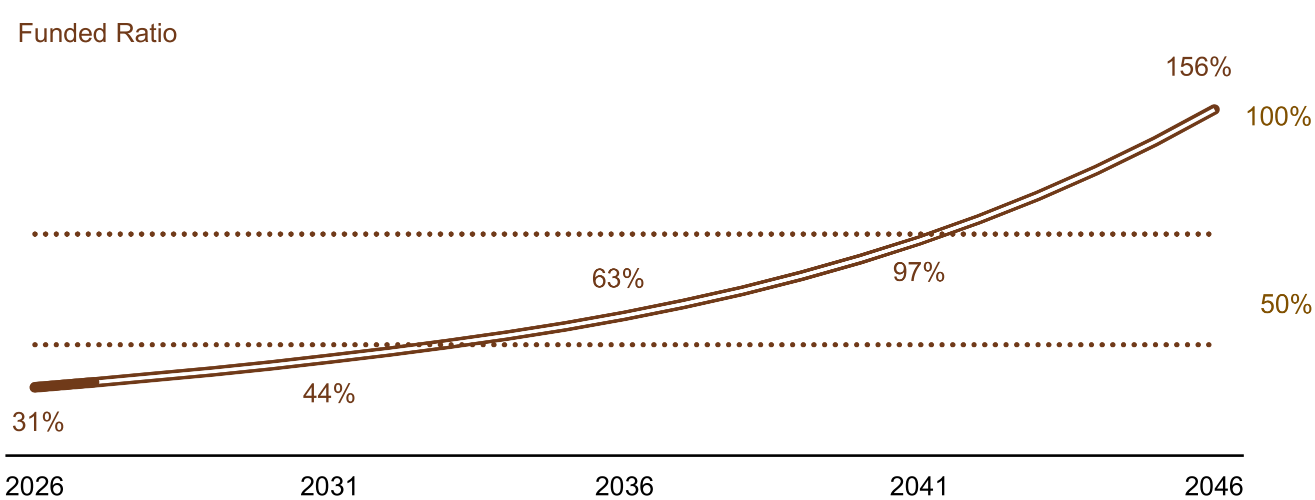


viii. Long-Range Forecast

If the Township contributes $1.25 million in excess of the benefit payments in accordance with the funding policy each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following long-range Actuarially Determined Contributions (in $ millions):



On the basis of this forecast, the Actuarially Determined Contribution currently exceeds the sum of the Normal Cost plus one year's interest on the Unfunded Accrued Liability and the Unfunded Accrued Liability is expected to be fully amortized by 2042. Over time, the funded ratio is expected to change as follows:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

1. Summary of Fund Transactions

	Total
Market Value as of April 1, 2024	$27,608,529
Township Contributions	5,877,679
Member Contributions	0
Net Investment Income	989,532
Benefit Payments	(4,577,679)
Administrative Expenses	(69,159)
Market Value as of March 31, 2025	29,828,902
Expected Return on Market Value of Assets	1,693,649
Market Value (Gain)/Loss	704,117
Approximate Rate of Return *	3.51%
Market Value as of April 1, 2025	$29,828,902
Township Contributions	7,365,417
Member Contributions	0
Net Investment Income	4,643,375
Benefit Payments	(4,865,417)
Administrative Expenses	(21,613)
Market Value as of March 31, 2026	36,950,664
Expected Return on Market Value of Assets	1,863,562
Market Value (Gain)/Loss	(2,779,813)
Approximate Rate of Return *	14.95%

* The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the year.

2. Accrued Liability

We have broken the Accrued Liability into several pieces: benefits that are expected to be paid prior to age 65 (i.e., prior to Medicare) and after age 65 (i.e., after Medicare) that current active members and their covered dependents will receive once the member retires, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Township, taking into account any implicit rate subsidies.

	Fire	Police	Town	Cable Studio	Building Inspection	Water & Sewer	Total
Current Active Members							
Members Under Age 65	$3,342,461	$4,389,017	$1,646,082	$100,354	$0	$409,839	$9,887,753
Members Over Age 65	3,189,006	3,544,628	2,229,084	130,330	0	639,907	9,732,955
Spouses/Dependents Under Age 65	3,785,541	4,077,933	1,174,967	104,569	0	449,220	9,592,230
Spouses/Dependents Over Age 65	2,624,906	3,071,716	1,425,067	92,195	0	455,263	7,669,147
Total	12,941,914	15,083,294	6,475,200	427,448	0	1,954,229	36,882,085
Current Members Receiving Benefits							
Members Under Age 65	$1,575,707	$6,123,094	$1,898,058	$142,306	$142,306	$237,491	$10,118,962
Members Over Age 65	11,041,868	13,289,924	9,524,197	312,235	604,795	1,950,579	36,723,598
Spouses/Dependents Under Age 65	1,891,871	6,428,273	2,231,953	190,522	190,522	338,272	11,271,413
Spouses/Dependents Over Age 65	7,423,239	9,263,780	6,024,004	174,907	503,578	1,628,867	25,018,375
Total	21,932,685	35,105,071	19,678,212	819,970	1,441,201	4,155,209	83,132,348
Total	34,874,599	50,188,365	26,153,412	1,247,418	1,441,201	6,109,438	120,014,433

Accrued Liability Sensitivity	1% Decrease	Baseline	1% Increase
Discount Rate	136,296,279	120,014,433	106,652,326
Trend Rate	106,809,310	120,014,433	136,157,635

3. Actuarially Determined Contribution

The Actuarially Determined Contribution (ADC) for the OPEB program consists of three pieces: a **Normal Cost** (the cost of benefits earned each year should be accrued in that year) plus a **Past Service Cost** (a catch-up accrual to amortize the Unfunded Accrued Liability) plus **Interest** to reflect the timing lag between the valuation date and the fiscal year.

The amortization period is 20 years starting in 2018. The amortization method produces level annual payments. The ADC is assumed to be paid at the beginning of the Fiscal Year. On this basis, the ADC is determined as follows:

	Fire	Police	Town	Cable Studio	Building Inspection	Water & Sewer	Total
Accrued Liability	$34,874,599	$50,188,365	$26,153,412	$1,247,418	$1,441,201	$6,109,438	$120,014,433
Market Value of Assets*	5,897,534	8,487,197	9,196,124	2,242,423	3,105,159	8,022,227	36,950,664
Unfunded Accrued Liability	28,977,065	41,701,168	16,957,288	(995,005)	(1,663,958)	(1,912,789)	83,063,769
Funded Ratio	16.9%	16.9%	35.2%	179.8%	215.5%	131.3%	30.8%
Amortization Period	12	12	12	12	12	12	12
Amortization Growth Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Past Service Cost	3,260,659	4,692,445	1,908,127	(111,963)	(187,238)	(215,238)	9,346,792
Total Normal Cost	376,844	436,940	190,224	8,660	0	55,741	1,068,409
Employee Contributions	0	0	0	0	0	0	0
Expenses*	0	0	0	0	0	0	0
Net Normal Cost	376,844	436,940	190,224	8,660	0	55,741	1,068,409
Interest	218,250	307,763	125,901	(6,198)	(11,234)	(9,570)	624,912
ADC for FY 2027-28	**3,855,753**	**5,437,148**	**2,224,252**	**(109,501)**	**(198,472)**	**(169,067)**	**11,040,113**
Expected Benefit Payments	(1,696,692)	(2,450,747)	(1,402,484)	(58,303)	(102,576)	(343,291)	(6,054,093)

*The Public Safety trust fund contains funds for Fire and Police. This trust's assets are allocated to the individual groups based on their respective Accrued Liability in order to calculate the Actuarially Determined Contribution.

4. Actuarially Determined Contribution Using Uniform Actuarial Assumptions

The state of Michigan released Uniform Actuarial Assumptions that must be used in reporting liabilities for public Retiree Health Care plans. The below results were determined using the Pub-2016 Mortality Table with generational mortality improvement in accordance with Scale MP-2021. Separate medical trend tables are assumed for Pre/Post Medicare, beginning with 7.75% for Pre-Medicare and 6.50% for Post-Medicare. Both trend rates are assumed to decrease by 0.25% per year, until the ultimate rate of 4.50%. All other assumptions match those disclosed in Appendix B.

The amortization period is 20 years starting in 2018. The amortization method produces level annual payments. The ADC is assumed to be paid at the beginning of the Fiscal Year. On this basis, the ADC is determined as follows:

	Fire	Police	Town	Cable Studio	Building Inspection	Water & Sewer	Total
Accrued Liability	$37,414,351	$54,195,942	$27,899,843	$1,342,840	$1,502,362	$6,486,990	$128,842,328
Market Value of Assets*	5,874,835	8,509,896	9,196,124	2,242,423	3,105,159	8,022,227	36,950,664
Unfunded Accrued Liability	31,539,516	45,686,046	18,703,719	(899,583)	(1,602,797)	(1,535,237)	91,891,664
Funded Ratio	15.7%	15.7%	33.0%	167.0%	206.7%	123.7%	28.7%
Amortization Period	12	12	12	12	12	12	12
Amortization Growth Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Past Service Cost	3,549,000	5,140,845	2,104,645	(101,226)	(180,356)	(172,753)	10,340,155
Total Normal Cost	428,696	492,963	211,641	9,752	0	61,616	1,204,668
Employee Contributions	0	0	0	0	0	0	0
Expenses*	0	0	0	0	0	0	0
Net Normal Cost	428,696	492,963	211,641	9,752	0	61,616	1,204,668
Interest	238,662	338,028	138,977	(5,488)	(10,821)	(6,668)	692,690
ADC for FY 2027-28	**4,216,358**	**5,971,836**	**2,455,263**	**(96,962)**	**(191,177)**	**(117,805)**	**12,237,513**
Expected Benefit Payments	(1,702,858)	(2,465,286)	(1,406,797)	(58,759)	(102,997)	(344,544)	(6,081,241)

*The Public Safety trust fund contains funds for Fire and Police. This trust's assets are allocated to the individual groups based on their respective Accrued Liability in order to calculate the Actuarially Determined Contribution.

5. Long Range Funded Status Forecast

This forecast is based on the results of the April 1, 2026 actuarial valuation and assumes that the Township contributes $1.25 million in excess of the benefit payments, in accordance with the funding policy, each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Accrued Liability	Market Value of Assets	Unfunded Accrued Liability	Funded Ratio
4/1/2026	$120,014,433	$36,950,664	$83,063,769	30.8%
7/1/2027	122,338,000	40,432,000	81,906,000	33.0%
7/1/2028	124,542,000	44,122,000	80,420,000	35.4%
7/1/2029	126,479,000	48,033,000	78,446,000	38.0%
7/1/2030	128,180,000	52,177,000	76,003,000	40.7%
7/1/2031	129,566,000	56,569,000	72,997,000	43.7%
7/1/2032	130,708,000	61,224,000	69,484,000	46.8%
7/1/2033	131,535,000	66,158,000	65,377,000	50.3%
7/1/2034	131,959,000	71,387,000	60,572,000	54.1%
7/1/2035	131,855,000	76,928,000	54,927,000	58.3%
7/1/2036	131,192,000	82,802,000	48,390,000	63.1%
7/1/2037	130,088,000	89,026,000	41,062,000	68.4%
7/1/2038	128,448,000	95,624,000	32,824,000	74.4%
7/1/2039	126,451,000	102,616,000	23,835,000	81.2%
7/1/2040	124,048,000	110,027,000	14,021,000	88.7%
7/1/2041	121,355,000	117,881,000	3,474,000	97.1%
7/1/2042	118,378,000	126,206,000	(7,828,000)	106.6%
7/1/2043	115,226,000	135,029,000	(19,803,000)	117.2%
7/1/2044	112,047,000	144,380,000	(32,333,000)	128.9%
7/1/2045	108,765,000	154,292,000	(45,527,000)	141.9%

6. Long Range Cash Flow Forecast

This forecast is based on the results of the April 1, 2026 actuarial valuation and assumes that the Township contributes $1.25 million in excess of the benefit payments, in accordance with the funding policy, each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Fiscal Year	Township Contributions	Member Contributions	Benefit Payments	Administrative Expenses	Net Cash Flows
2027-28	$7,303,675	$0	($6,053,675)	($22,929)	$1,227,071
2028-29	7,643,000	0	($6,392,685)	($23,617)	$1,226,698
2029-30	7,946,000	0	($6,696,484)	($24,326)	$1,225,190
2030-31	8,289,000	0	($7,038,682)	($25,056)	$1,225,262
2031-32	8,540,000	0	($7,290,396)	($25,808)	$1,223,796
2032-33	8,849,000	0	($7,598,561)	($26,582)	$1,223,857
2033-34	9,203,000	0	($7,953,415)	($27,379)	$1,222,206
2034-35	9,649,000	0	($8,398,795)	($28,200)	$1,222,005
2035-36	10,103,000	0	($8,853,347)	($29,046)	$1,220,607
2036-37	10,414,000	0	($9,164,102)	($29,917)	$1,219,981
2037-38	10,797,000	0	($9,547,292)	($30,815)	$1,218,893
2038-39	10,982,000	0	($9,731,535)	($31,739)	$1,218,726
2039-40	11,199,000	0	($9,948,922)	($32,691)	$1,217,387
2040-41	11,292,000	0	($10,042,185)	($33,672)	$1,216,143
2041-42	11,364,000	0	($10,114,260)	($34,682)	$1,215,058
2042-43	11,325,000	0	($10,075,389)	($35,722)	$1,213,889
2043-44	11,137,000	0	($9,886,799)	($36,794)	$1,213,407
2044-45	11,027,000	0	($9,777,103)	($37,898)	$1,211,999
2045-46	10,815,000	0	($9,565,447)	($39,035)	$1,210,518
2046-47	10,563,000	0	($9,313,323)	($40,206)	$1,209,471

7. Allocation of Contribution by Department

Department	Members	Vested	Pay Status	Total
Accounting	0.30%	0.00%	0.57%	0.87%
Assessing	0.82%	0.00%	1.20%	2.02%
Building Inspection	0.00%	0.00%	1.20%	1.20%
Buildings & Grounds	0.58%	0.00%	1.19%	1.77%
Cable Studio	0.36%	0.00%	0.68%	1.04%
Clerk	0.22%	0.00%	1.22%	1.43%
Dispatch	1.24%	0.00%	2.16%	3.40%
Fire	10.78%	0.00%	18.28%	29.06%
Information Technology	0.40%	0.00%	1.09%	1.49%
Motor Pool	0.74%	0.00%	2.42%	3.16%
Ordinance	0.00%	0.00%	0.15%	0.15%
Planning	0.24%	0.00%	0.38%	0.62%
Police	11.33%	1.51%	27.14%	39.98%
Road	1.42%	0.00%	5.72%	7.14%
Senior Services	0.42%	0.00%	0.01%	0.43%
Supervisor	0.00%	0.00%	0.43%	0.43%
Treasurer	0.26%	0.00%	0.44%	0.70%
Village Police	0.00%	0.00%	0.00%	0.00%
Water & Sewer	1.63%	0.00%	3.46%	5.09%
Total	30.73%	1.51%	67.76%	100.00%

8. History of Funded Status

Valuation Date	Market Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	$1,608,647	$145,072,520	$143,463,873	1.1%
July 1, 2015	5,437,023	152,132,955	146,695,932	3.6%
July 1, 2016	6,339,197	159,793,469	153,454,272	4.0%
April 1, 2018	11,719,780	164,001,224	152,281,444	7.1%
April 1, 2020	13,540,092	97,542,654	84,002,562	13.9%
April 1, 2022	22,593,484	99,217,414	76,623,930	22.8%
April 1, 2024	27,608,529	97,853,011	70,244,482	28.2%
April 1, 2026	36,950,664	120,014,433	83,063,769	30.8%

9. History of Township Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Township Contribution	Contribution Deficiency (Excess)
2017-18	$14,694,136	$5,202,228	$9,491,908
2018-19	14,979,038	5,796,653	9,182,385
2019-20	15,335,501	7,107,238	8,228,263
2020-21	15,335,501	7,016,893	8,318,608
2021-22	9,381,499	6,012,048	3,369,451
2022-23	9,381,499	5,614,655	3,766,844
2023-24	9,171,002	6,158,489	3,012,513
2024-25	9,171,002	5,877,679	3,293,323
2025-26	8,787,689	7,365,417	1,422,272
2026-27	8,787,689	TBD	TBD
2027-28	11,040,113	TBD	TBD

10. Summary of Active Membership Data

	April 1, 2024	April 1, 2026
Number of Active Members		
Fire	30	26
Police	37	28
Town	25	19
Cable Studio	1	1
Building Inspection Fund	1	0
Water & Sewer	7	5
Total	101	79
Average Age		
Fire	46.7	47.4
Police	47.0	48.1
Town	49.1	49.4
Cable Studio	47.6	49.6
Building Inspection Fund	62.8	0.0
Water & Sewer	49.5	49.7
Total	47.7	48.3
Average Service		
Fire	21.1	22.3
Police	21.5	22.4
Town	21.8	23.0
Cable Studio	26.2	28.2
Building Inspection Fund	21.7	0.0
Water & Sewer	23.1	24.3
Total	21.6	22.7

11. Summary of Inactive Membership Data

	April 1, 2024	April 1, 2026
Number of Members Receiving Benefits		
Fire	60	73
Police	72	89
Town	68	79
Cable Studio	5	5
Building Inspection Fund	7	9
Water & Sewer	11	14
Total	223	269
Average Age of Members Receiving Benefits		
Fire	69.9	71.5
Police	68.4	69.5
Town	71.2	72.5
Cable Studio	71.4	73.4
Building Inspection Fund	72.1	76.0
Water & Sewer	72.1	74.9
Total	70.0	71.5
Number of Spouses/Dependents Receiving Benefits		
Fire	62	46
Police	66	61
Town	38	38
Cable Studio	1	1
Building Inspection Fund	3	3
Water & Sewer	12	9
Total	182	158
Average Age of Spouses/Dependents Receiving Benefits		
Fire	69.1	66.9
Police	65.9	63.1
Town	68.4	66.5
Cable Studio	54.0	56.0
Building Inspection Fund	73.9	64.5
Water & Sewer	73.0	67.2
Total	66.4	65.2

Appendix A - Actuarial Funding Method

Cost Method

The actuarial cost method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing of the contribution relative to the valuation date.

The Normal Cost is determined by calculating the present value of future benefits for present Active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination for each individual. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Members Receiving Benefits and Terminated Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Amortization Method

The Unfunded Accrued Liability is the excess of the Accrued Liability less the Market Value of Assets. This Unfunded Accrued Liability is amortized as a level dollar amount over a closed 20 year period starting April 1, 2018. The amortization period will not be less than 10 years in order to shield the Township from contribution volatility.

Long-Range Forecast

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. For those unions whose new employees are eligible to participate in this plan, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate	6.00%
Inflation	2.30%
Amortization Growth Rate	0.00%
Salary Growth Rate	3.50%
Healthy Mortality	Pub-2016 (Prior: Pub-2010) Mortality Table with generational projection per the MP-2021 Ultimate scale, with employee rates before commencement and healthy and contingent annuitant rates after benefit commencement. The Public Safety variant is used for Police and Fire while the General variant is used for all other groups. This assumption includes a margin for improvements in longevity beyond the valuation date.
Disabled Mortality	Pub-2016 (Prior: Pub-2010) Mortality Table for disabled retirees with generational projection per the MP-2021 Ultimate scale. The Public Safety variant is used for Police and Fire while the General variant is used for all other groups. This assumption includes a margin for mortality improvement beyond the valuation date.

Appendix B - Actuarial Assumptions (continued)

Medical Trend

The Society of Actuaries (SOA) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries. Milliman uses this model as the foundation for the trend that it recommends to our clients for postretirement valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trend where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable).

Ultimate trend rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP).

Year			Rate
2026	to	2027	6.60%
2027	to	2028	5.90%
2028	to	2029	5.30%
2029	to	2030	5.20%
2030	to	2031	5.00%
2031	to	2032	4.80%
2032	to	2033	4.60%
2033	to	2034	4.40%
2034	to	2035	4.30%
2035	to	2066	4.10%
2066	to	2068	4.00%
2068	to	2070	3.90%
2070	to	2073	3.80%
2073	+		3.70%

Dental + Vision Trend

Year			Rate
2026	to	2068	4.00%
2068	to	2070	3.90%
2070	to	2073	3.80%
2073	+		3.70%

Appendix B - Actuarial Assumptions (continued)

Turnover 50% of Prudential Scale ½ A

Service	Male	Female
20	2.500%	3.750%
25	2.500%	3.750%
30	1.875%	2.500%
35	1.250%	1.875%
40	0.750%	1.250%
45	0.375%	0.625%
50+	0.000%	0.000%

Disability Table C-4 of TSA Volume XXXIX, 100% of the 6-month rates:

Service	Male	Female
20	0.080%	0.100%
30	0.099%	0.140%
40	0.176%	0.276%
50	0.540%	0.622%
60	1.477%	1.179%

All disabilities are assumed to be Service-Connected.

The turnover and disability assumptions are based on the January 1, 2025 Actuarial Valuation Report of the Township of Bloomfield Retirement Income Plan.

Appendix B - Actuarial Assumptions (continued)

Retirement

Fire

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

Age	Rate
52-64	5%
65	100%

Otherwise:

Age	Rate
52	20%
53-54	10%
55-56	30%
57-64	50%
65	100%

Police

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

Age	Rate
50-62	5%
63	100%

Otherwise:

Age	Rate
50-51	35%
52-54	10%
55-56	30%
57-62	50%
63	100%

Appendix B - Actuarial Assumptions (continued)

Retirement (continued)

All Others: 25% at the earlier of age 52 with 25 years of service or 30 years of service; at all other ages (with at least 15 years of service):

Age	Rate
< 53	5%
54	7%
55	10%
56-59	15%
60-61	25%
62	30%
63-64	15%
65-69	50%
70	100%

Future Retiree Coverage

All active and former vested members are assumed to elect coverage at retirement.

Future Dependent Coverage

Current active members are assumed to elect dependent coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

	Male	Female
Fire	95%	95%
Police	90%	90%
Town	80%	50%

Future Post-65 Coverage

All current actives and pre-65 retirees are assumed to continue coverage at age 65.

Valuation of Dental & Vision Benefits

The employer sponsored Dental & Vision Plans were valued without aging per guidance from a March ASOP No. 6 Practice Note. Total premium was averaged over the population to develop a per adult cost, including a child load for spouses.

Appendix C - Summary of Plan Provisions

This summary is intended only to describe our understanding of the essential features of the benefits that will be provided to future retirees based on copies of bargaining agreements, applicable personnel rules and the benefits being currently provided to retired members. All eligibility requirements and benefit amounts shall be determined in strict accordance with the relevant plan documents. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility **Fire**

Members who retire from active service at age 52 or older, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 52 with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Normal Retirement for pension purposes is age 52 with 8 years of service.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Police / Police Command

Hire date prior to April 1, 1999:

Members who terminate before Normal Retirement with 25 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of Normal Retirement Date (age 50).

Members who terminate before Normal Retirement with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective for retirement from active service on or after June 7, 2006, eligibility for retiree health insurance is the earlier of age 50 with 25 years of service, or age 52 with 10 years of service, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

Appendix C - Summary of Plan Provisions (continued)

Eligibility

Police / Police Command

Hire date after March 31, 1999:

Members who retire from active service at age 50 or older and with 25 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 50, but who have 25 years of service, are eligible for post-retirement medical and dental benefits upon the attainment of age 50.

Members who terminate with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Town

Hire date prior to April 1, 1999:

Members who retire from active service at age 55 or older, can elect to continue medical and dental coverage for self and spouse, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

Members who retire from active service at age 52 with 15 years of service, or 30 years of service regardless of age, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service, are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Normal Retirement for Library is age 55 with 8 years of service.

Normal Retirement for Town Others is the earlier of age 52 with 8 years of service, or completion of 30 years of service regardless of age.

Appendix C - Summary of Plan Provisions (continued)

Eligibility **Town**

Hire date after March 31, 1999:

Members who retire on or after normal retirement with 15 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Cost Sharing **Fire**

Hire date prior to April 1, 1999:

An employee who retires from active service at age 52 or older who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions (continued)

Cost Sharing

Fire

Hire date after March 31, 1999:

An employee who retires on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of Service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement or terminates prior to Normal Retirement and has between 15 and 25 Years of Service qualifies for post-retirement health insurance at Normal Retirement. Retiree’s contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions (continued)

Cost Sharing **Police / Police Command**

Hire date prior to April 1, 1999:

An employee who retires from active service on or after Normal Retirement and who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement (age 50) at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- $100 per year for single ($200 per year for family), or
- The above schedule

Appendix C - Summary of Plan Provisions (continued)

Cost Sharing

Police / Police Command

Hire date after March 31, 1999:

An employee who retires directly from the Township at age 50 or older with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to age 50 with 25 years of service qualifies for post-retirement health insurance at age 50 at no cost.

An employee who retires at age 52 or terminates prior to age 52, and who has between 15 and 25 years of service, qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- $100 per year for single ($200 per year for family), or

- The above schedule

Appendix C - Summary of Plan Provisions (continued)

Cost Sharing

Town

Hire date prior to April 1, 1999:

An employee who retires from active service at the earlier of age 55 or 30 years of service regardless of age, and who has satisfied the minimum requirements to retire as defined in the Township pension plan, qualifies for post-retirement health insurance at no cost.

An employee who retires from active service between age 52 and 55 with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who retires between age 52 and 55 and has between 15 and 25 years of service qualifies for post-retirement health insurance. Retiree’s contributions are based on the following schedule (contribution will stop when retiree reaches age 55):

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions (continued)

Cost Sharing **Town**

Hire date prior to April 1, 1999:

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions (continued)

Cost Sharing **Town**

Hire date after March 31, 1999:

An employee who retires from active service on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement, or terminates prior to Normal Retirement, and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Appendix C - Summary of Plan Provisions (continued)

Disability

Fire

An employee who is eligible for early retirement and suffers a service-connected disability shall receive the same post-retirement health and dental insurance benefits that are available to an employee who retires on or after their Normal Retirement Date. An employee who is not eligible for early retirement and suffers a service-connected disability shall receive post-retirement health and dental insurance benefits for 54 months only.

Police / Police Command

An employee who suffers a service-connected disability shall receive post-retirement health benefits for 54 months only. An employee who suffers a non service-connected disability shall receive post-retirement health benefits for 30 months only.

Life Insurance

Fire / Police: $6,000

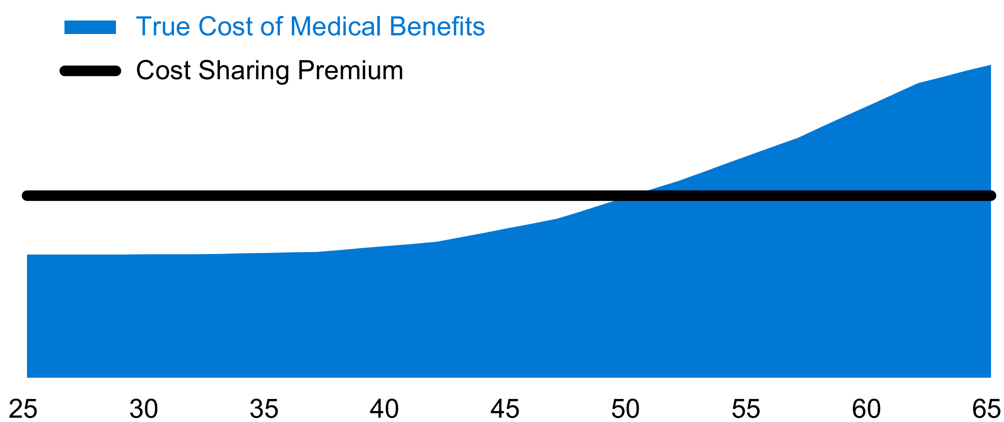
Police Command: $8,000

Town: $8,000

Appendix D - Healthcare Information - Introduction

In many cases, the cost sharing premium is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:



- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an ***implicit rate subsidy*** . GASB 74 and 75 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed in this report. We term this amount the ***gross liability*** .

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the Other Post Employment Benefits Program – different retirees pay different percentages based on their union or department, date of retirement, age at retirement, and other factors. We term this amount the ***offset liability*** .

Finally, the net Accrued Liability for the Township is calculated as the difference between the gross liability and the offset liability.

Appendix D - Healthcare Information - Current Premiums

The annual medical premiums for cost sharing purposes as of April 1, 2026 are shown below.

	Retiree	Spouse
Pre-65 Medical Plan		
HRA/HSA	$9,506.04	$19,582.56
Post-65 Medical Plan		
HRA	8,116.08	16,718.88
PPO	8,288.64	8,727.84
Dental Plan	569.16	950.64
Vision Plan	101.64	161.28

Appendix D - Healthcare Information - Expected Healthcare Costs

Milliman's Health Cost Guidelines™ (HCGs)[1] were used to develop the expected true cost of healthcare benefits by age and gender, separately for retirees and spouses/dependents. Representative healthcare cost factors were developed with this valuation and are shown in the table below. No difference by age and gender is assumed for dental and vision benefits.

These factors were then applied to the plan's healthcare rates for the year beginning April 1, 2026 to arrive at the expected annual per capita claims costs for a 65-year-old, which are also shown below.

	Retiree		Spouse*	
Age	**Male**	**Female**	**Male**	**Female**
HRA				
45	0.50099	0.86544	0.45468	0.64112
50	0.58093	0.80933	0.55123	0.73314
55	0.68460	0.80078	0.66985	0.81730
60	0.79402	0.88435	0.79578	0.89185
65	1.00000	1.00000	1.00000	1.00000
70	1.11149	1.06611	1.11149	1.06611
75	1.22356	1.11683	1.22356	1.11683
80	1.28347	1.10589	1.28347	1.10589
85	1.20619	0.99779	1.20619	0.99779
90	1.09862	0.88847	1.09862	0.88847
Age 65 per capita claims cost				
HRA - Pre-65	$27,192.07	$24,503.05	$24,402.17	$22,590.13
HRA - Post-65	9,058.25	8,221.12	9,058.25	8,221.12

[1] The HCGs are a cooperative effort of Milliman health actuaries and represent a combination of their experience, research, and judgment. An extensive amount of data is used in developing the HCGs and that data is updated annually. The cost models consider utilization and average charge levels for roughly 60 benefit categories, and can provide relativities in per capita plan costs between programs of different design, demographics, or geography.

**Includes child dependent costs*

Appendix D - Healthcare Information - Expected Healthcare Costs

Age	Retiree		Spouse*	
	Male	Female	Male	Female
PPO				
65	1.00000	1.00000	1.00000	1.00000
70	1.12395	1.08898	1.12395	1.08898
75	1.25497	1.16359	1.25497	1.16359
80	1.35470	1.20498	1.35470	1.20498
85	1.39466	1.21995	1.39466	1.21995
90	1.40645	1.22539	1.40645	1.22539
Age 65 per capita claims cost				
PPO	$6,619.81	$6,858.14	$6,619.81	$6,858.14
Dental & Vision				
All ages per capita claims cost				
Dental & Vision	$676.68	$676.68	$849.62	$849.62

**Includes child dependent costs*

Appendix E - Glossary

Actuarial Cost Method — This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Accrued Liability and the Normal Cost.

Accrued Liability — This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions — With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits — This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.

Market Value of Assets — This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.

Attribution Period — The period of an active member's service to which the expected benefit obligation for that member is assigned. The beginning of the attribution period is the member's date of hire and costs are spread across all service.

Interest Rate — This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 75) this is termed the Discount Rate.

Normal Cost — This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Past Service Cost — This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.

Return on Plan Assets — This is the actual investment return on plan assets during the fiscal year.

Unfunded Accrued Liability — This is the excess of the Accrued Liability over the Market Value of Assets.