

FOSTER AND FOSTER
CITY OF NORTH PORT
FIREFIGHTERS' PENSION PLAN
ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	RP-2000 Table with no projection Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).
<u>Interest Rate</u>	8.0% per year compounded annually, net of investment- related expenses.
<u>Retirement Age</u>	Earlier of age 55 with 10 years Credited Service or age 52 with 25 years of Credited Service. Also, any active member who is eligible for Normal Retirement is assumed to continue employment for one additional year.
<u>Early Retirement</u>	Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
<u>Disability Rate</u>	See table on next page (1201). It is assumed that 75% of disablements are service related.
<u>Termination Rate</u>	See table on next page (1302).
<u>Salary Increases</u>	7.5% per year until the assumed retirement age; see table on next page. Projected salary at retirement is increased by the frozen dollar value of sick and annual leave as of July 5, 2012 (previously increased 20%).
<u>Administrative Expenses</u>	\$63,829 annually.
<u>Post Retirement COLA</u>	3.0% from age 55 until 63.
<u>Payroll Growth</u>	5.0% per year.
<u>Asset Valuation Method</u>	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method.

	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>	<u>Current Salary as a % of Salary at Age 53</u>
20	0.03%	6.0%	9.2%
30	0.04	5.0	18.9
40	0.07	2.6	39.1
50	0.18	0.8	80.5