CITY OF FERGUSON

PENSION PLAN

ACTUARIAL VALUATION

AS OF JULY 1, 2013

Boomershine Consulting Group
Executive Center I
3300 North Ridge Road, Suite 300
Ellicott City, MD 21043

November, 2013

November 7, 2013

Mr. Jeffrey Blume
Director of Finance
City of Ferguson
110 Church Street
Ferguson, MO 63135

Re: City of Ferguson Pension Plan
Actuarial Valuation as of July 1, 2013

Dear Jeff:

The following report presents the results of the Actuarial Valuation of City of Ferguson Pension Plan ("the Plan") as of July 1, 2013 and sets forth the recommended contribution for July, 2014, according to the City's funding policy.

The report is based on participant data as of July 1, 2013 as submitted by the City. Investment data was provided by the City for the fiscal year ended June 30, 2013. We have relied on this information without auditing it.

INVESTMENT PERFORMANCE

The market value of Plan assets for the plan year ended June 30, 2013 is $21,412,846. The actuarial value of assets, reflecting smoothing of past gains and losses as of June 30, 2013 is $22,015,577. The investment return for the Plan year ending June 30, 2013 was 11.53% on a market value basis and 6.79% on an actuarial basis.

The Plan uses a smoothing method to determine Plan costs. Under this method, asset gains or losses are spread over a 5-year period. The gains and losses are determined every year by comparing actual investment returns with expected asset performance. Details of the development of the Actuarial Asset value is shown on page 10.

FUNDING RECOMMENDATION

The total policy contribution for the plan year ending June 30, 2015 is $534,181, which represents 7.9% of total expected payroll. This is a slight increase of $10,000 over last year's computed contribution, although the percent of payroll is lower. This is simply a function of a payroll that increases over time, as expected.

FUNDED STATUS/GASB

The Actuarial Accrued Liability of the Plan as of July 1, 2013 is $22,059,641 compared to the Actuarial Value of Assets of $22,015,577, resulting in a funded ratio of 99.8%.

PLAN CHANGES AND ASSUMPTION CHANGES

There were no changes in the Plan and actuarial assumptions for this valuation.

This report is prepared in accordance with generally accepted actuarial principles and practices. In the opinion of the City and its actuaries, the actuarial assumptions used are reasonably related to Plan experience and expectations, and represent the best estimate of anticipated Plan experience.

Respectfully submitted,

BOOMERSHINE CONSULTING GROUP, L.L.C.

Gregory M. Stump, FSA, EA, MAAA, FCA

The above is a member of the American Academy of Actuaries, and is qualified to render the actuarial opinions presented in this report.

Darlene Morgan, CEBS

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EXECUTIVE SUMMARY

The information in the table below represents a high level summary of the valuation results, shown in comparison to the most recent study (one year prior), as well as the relative changes during the year.

	7/1/2012	7/1/2013	*Increase/(Decrease)*
Funding Progress:			
Actuarial Accrued Liability ($ million)	21.3	22.1	*3.6%*
Plan Asset Value ($ million)			
Market Value	19.8	21.4	*8.0%*
Actuarial (smoothed) Value	21.3	22.0	*3.5%*
Ratio			
Market Value	93%	97%	
Actuarial (smoothed) Value	100%	100%	
Plan Contributions			
Normal Cost	484,214	491,664	*1.5%*
Amortization of Unfunded	3,322	5,248	*58.0%*
Interest for Contribution Timing	36,564	37,269	*1.9%*
Net Employer Contribution	524,100	534,181	*1.9%*
Percentage of Pay	*8.2%*	*7.9%*	
Plan Membership			
Active Members	131	132	*0.8%*
Inactive Members	113	115	*1.8%*
Total Plan Membership	244	247	*1.2%*

From the above, we can see that the Plan's asset value increased by about $0.7 million (Actuarial Value), and the Actuarial Liability increased by only $0.8 million. This serves to maintain the contribution at a relatively steady level for another year.

Since the prior valuation, the required contribution to the Plan has increased, but the rate as a percentage of payroll has decreased. The table below shows the primary factors influencing this change.

	Employer Contribution Rate (% pay)
Prior Valuation	8.2%
Change due to:	
Investment Experience	0.1%
Demographic Experience	-0.3%
Salary Experience	-0.1%
Plan Changes	0.0%
Assumption Changes	0.0%
Total Change	-0.3%
Current Valuation	7.9%

FUNDING and CONTRIBUTIONS: PAST and FUTURE TRENDS

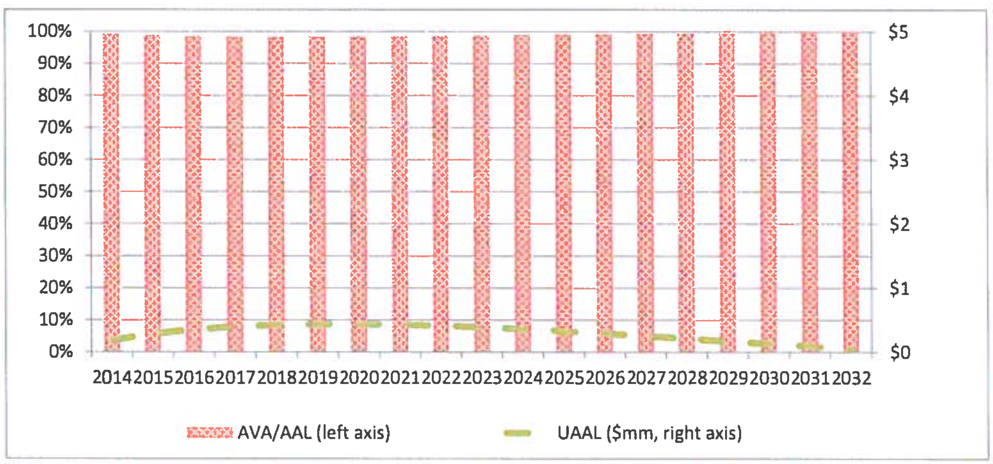
The funding of the Plan, as measured by the Actuarial Value of Assets divided by the Actuarial Accrued Liability (AVA/AAL), over the past 7 years has remained close to or above 100%. Over this time period, the Unfunded Actuarial Accrued Liability (UAAL) has increased from ($3.5) million to its current level of $44,000. Each of these is shown in the graph below.

History of Plan Funding

The graph below shows how, under current funding policies, funding is expected to remain level over the next 20 years. The UAAL is expected to increase slightly, as past invesment losses are fully recognized. This will also cause a slight increase in the City's contributions to the Plan.

While this exact scenario is virtually impossible because it entails all actuarial assumptions to be exactly met, it is instructive to understand that the policies in place will lead to consistent funding, notwithstanding unfavorable experience, or other significant changes.

Projection of Estimated Plan Funding



ASSET STATEMENT

AND

DETERMINATION OF ACTUARIAL VALUE OF ASSETS

**ASSET STATEMENT FOR THE PLAN YEARS ENDING
JUNE 30, 2012 AND JUNE 30, 2013**

	Plan Year Ending June 30, 2012	Plan Year Ending June 30, 2013
Market Value of Assets as of the Beginning of the Plan Year	20,330,964	19,829,144
Employer Contributions	480,448	489,851
Interest and Dividends	435,672	534,201
Realized Gains/(Losses)	952,590	1,079,285
Market Appreciation/(Depreciation)	(1,167,356)	673,684
Benefit Payments	(1,195,838)	(1,174,409)
Expenses	(32,714)	(50,454)
Market Value as of End of Plan Year prior to Accruals	19,803,766	21,381,302
Accrued Income	62,018	
Accrued Expenses Payable	(36,640)	
Net Accrued	25,378	31,544
Market Value as of End of Plan Year	19,829,144	21,412,846

SUMMARY OF INVESTMENTS AS OF JUNE 30, 2013

	Plan Year Ending June 30, 2012	Plan Year Ending June 30, 2013
Equity Securities and Funds	12,447,457	14,976,578
Fixed Income Securities and Funds	6,949,091	6,114,890
Cash and Equivalents	407,218	289,834
Total Assets	19,803,766	21,381,302
Accrued Income	62,018	31,544
Accrued Expenses	(36,640)	
Net Assets	19,829,144	21,412,846
Estimated Rate of Return on Market Value of Assets	1.06%	11.53%

DETERMINATION OF ACTUARIAL VALUE OF ASSETS AS OF JULY 1, 2013

The Actuarial Value of Assets is determined by recognizing one-fifth of the annual gain or loss. The asset gain or loss is the amount by which the actual market value differs from the expected actuarial value of assets. The actuarial value is limited to not more than 120% and not less than 80% of the market value of assets.

	As of July 1, 2012	As of July 1, 2013
1. Actuarial Value of Assets as of Beginning of Prior Plan Year	20,798,081	21,267,743
2. Contributions	480,448	489,851
3. Benefit Payments	(1,195,838)	(1,174,409)
4. Expected Return at 7.50%	1,544,702	1,583,075
5. Expected Actuarial Value as of End of Plan Year [Line 1 + Line 2 + Line 3 + Line 4]	21,627,393	22,166,260
6. Actual Market Value as of End of Plan Year	19,829,144	21,412,846
7. Asset Gain/(Loss) for Plan Year [Line 6 - Line 5]	(1,798,249)	(753,414)
8. 20% of Asset Gain/(Loss) [20% of Line 7]	(359,650)	(150,683)
9. Actuarial Value of Assets as of End of Plan Year [Line 5 + Line 8; not less than 80% or more than 120% of the Market Value of Assets]	21,267,743	22,015,577
10. Actuarial Value as % of Market Value of Assets	107.25%	102.81%
11. Estimated Rate of Return on Actuarial Value of Assets	5.80%	6.79%

As shown in this graph, there has been volatility in the market value of assets over the past 6 years.

The process of asset smoothing to avoid large fluctuations in City contributions to the pension fund has had the intended effect.

This can be seen in the pattern of smoothed asset values, as well as year to year changes in such.

PARTICIPANT SUMMARY, RECONCILIATION AND

AGE AND SERVICE DISTRIBUTIONS

SUMMARY OF PLAN PARTICIPANTS

	July 1, 2012*	July 1, 2013
Active Participants		
Number of Participants	131	132
Average Age	43.0	43.0
Average Years of Service from hire	11.3	11.7
Total Compensation	6,187,888	6,517,439
Average Compensation	47,236	49,375
Retired Participants		
Number of Participants	67	70
Average Age	71.0	71.3
Total Annual Benefit	925,296	940,260
Average Annual Benefit	13,810	13,432
Disabled Retired Participants		
Number of Participants	10	10
Average Age	65.2	66.1
Total Annual Benefit	119,535	119,535
Average Annual Benefit	11,953	11,953
Beneficiaries		
Number of Participants	15	12
Average Age	70.3	75.6
Total Annual Benefit	148,674	121,430
Average Annual Benefit	9,912	10,119
Terminated Deferred Vested Participants		
Number of Participants	21	23
Average Age	52.9	53.9
Total Annual Benefit	181,936	188,248
Average Annual Benefit	8,664	8,185

* from prior actuarial report

PARTICIPANT RECONCILIATION

	Active	Retired	Disabled Retirees	Beneficiary	Deferred Terminated Vested	Total
as of July 1, 2012	131	67	10	15	21	244
New Participants	11	-	-	-	-	11
Rehires	1	-	-	-	-	1
Terminated Vested	(3)	-	-	-	3	0
Nonvested	(6)	-	-	-		(6)
Retired	(2)	3	-	-	(1)	0
Disabled Retiree	-	-	-	-	-	0
Deceased - w/Benef	-	-	-	-	-	0
Deceased - No Benef	-	-	-	(1)	-	(1)
Certain Period Compl.	-	-	-	(1)	-	(1)
Data Adjustments	-	-	-	(1)	-	(1)
as of June 30, 2013	132	70	10	12	23	247

DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE AS OF JULY 1, 2013

	Years of Service							
Age	≤5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	Total
<20	-	-	-	-	-	-	-	0
20 - 24	4	-	-	-	-	-	-	4
25 - 29	11	4	-	-	-	-	-	15
30 - 34	11	8	5	-	-	-	-	24
35 - 39	5	6	4	2	-	-	-	17
40 - 44	4	4	5	4	2	-	-	19
45 - 49	2		3	2	2	-	-	9
50 - 54	2	1	2	3	4	5		17
55 - 59	3	2	2	2	1	2	6	18
60 - 64	-	1	1	1	1	-	3	7
>64	-	-	2	-	-	-	-	2
Total	42	26	24	14	10	7	9	132

VALUATION SUMMARY

DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

		7/1/2012	7/1/2013
1.	Number of Participants		
	Active	131	132
	Retired and Beneficiaries	82	82
	Disabled Retired	10	10
	Terminated Deferred Vested	21	23
	Total	244	247
2.	Active compensation		
	Actual as of current date	6,187,888	6,517,439
	Projected for the following plan year	6,388,994	6,729,256
3.	Actuarial Accrued Liability (AAL)		
	Active	10,220,378	11,188,857
	Retired and Beneficiaries	8,800,357	8,558,424
	Disabled Retired	1,182,207	1,158,583
	Terminated Deferred Vested	1,093,843	1,153,777
	Total	21,296,785	22,059,641
4.	Actuarial Value of Assets (AVA)	21,267,743	22,015,577
5.	Unfunded Actuarial Accrued Liability (UAAL)	29,042	44,064

DEVELOPMENT OF ACTUARIAL GAIN/(LOSS)

1.	Expected Actuarial Accrued Liability	
	(a) Actuarial Accrued Liability as of July 1, 2012	21,296,785
	(b) Normal Cost as of July 1, 2012	484,214
	(c) Interest on (a) and (b) to June 30, 2013	1,633,575
	(d) Actual benefit payments for the prior plan year	(1,174,409)
	(e) Interest on (d) to June 30, 2013	(43,244)
	(f) Expected Actuarial Accrued Liability as of July 1, 2013 [(a) + (b) +(c) + (d) + (e)]	22,196,921
2.	Actual Actuarial Accrued Liability as of July 1, 2013	22,059,641
3.	Gain/(Loss) on Actuarial Accrued Liability [Line 1(f) - Line 2]	137,280
4.	Expected Actuarial Value of Assets	
	(a) Actuarial Value of Assets as of July 1, 2012	21,267,743
	(b) Expected Return on (a) to June 30, 2013	1,595,081
	(c) City contributions made for year ending June 30, 2013	489,851
	(d) Interest on (c) to June 30, 2013	31,238
	(e) Actual benefit payments for the prior plan year	(1,174,409)
	(f) Expected Return on (e) to June 30, 2013	(43,244)
	(g) Expected Actuarial Value of Assets as of July 1, 2013 [(a) + (b) + (c) + (d) + (e) + (f)]	22,166,260
5.	Actual Actuarial Value of Assets as of July 1, 2013	22,015,577
6.	Gain/(Loss) on Actuarial Value of Assets [Line 5 - Line 4(g)]	(150,683)
7.	Total Actuarial Gain/(Loss) [Line 3 + Line 6]	(13,403)

DEVELOPMENT OF CITY CONTRIBUTION

		July 1, 2012	July 1, 2013
1.	Present Value of Future Benefits		
	Active	14,999,013	15,893,179
	Retired and Beneficiaries	8,800,357	8,558,424
	Disabled	1,182,207	1,158,583
	Terminated Vested	1,093,843	1,153,777
	Total	26,075,420	26,763,963
2.	Actuarial Accrued Liability	21,296,785	22,059,641
3.	Actuarial Value of Assets	21,267,743	22,015,577
4.	Unfunded Actuarial Accrued Liability [Line 2 - Line 3]	29,042	44,064
5.	Amortization of Unfunded Actuarial Accrued Liability, beginning of Plan Year	3,322	5,248
6.	Normal Cost, beginning of Plan Year	484,214	491,664
7.	Total Contribution, beginning of Plan Year [Line 5 + Line 6]	487,536	496,912
8.	Total Contribution, end of Plan Year [Line 28 plus 7.50% interest]	524,100	534,181
9.	Projected Payroll	6,388,994	6,729,256
10.	Total Contribution as a % of Payroll [Line 8 / Line 9]	8.20%	7.94%

PRESENT VALUE OF ACCRUED BENEFITS
AS OF JULY 1, 2013

1. Present Value of Vested Benefits		
	Active	$7,281,971
	Retired and Beneficiaries	8,558,424
	Disabled Retired	1,158,583
	Terminated Deferred Vested	1,153,777
	Total	18,152,755
2. Present Value of Nonvested Benefits		521,888
3. Present Value of Accrued Benefits as of July 1, 2013		18,674,643
4. Market Value of Assets as of July 1, 2013		21,412,846
5. Unfunded Value of Accrued Benefits		(2,738,203)
6. Funded Ratio [(4) / (3)]		114.66%

CHANGE IN PRESENT VALUE OF ACCRUED BENEFITS

Present Value of Accrued Benefits as of July 1, 2012			18,906,476
Change from:			
	New Accruals	484,214	
	Interest	1,411,058	
	Changes in Assumptions	0	
	Plan Amendments	0	
	(Gain)/Loss*	(952,696)	
	Benefits Paid	(1,174,409)	
Total Change in Present Value			(231,833)
Present Value of Accrued Benefits as of July 1, 2013			18,674,643

* includes impact of change in valuation system

The figures above were determined using the same assumptions as were used to compute the Actuarial Accrued Liability; however, the actuarial cost method used was the Unit Credit method. Only benefits accrued prior to the valuation date are taken into account under this cost method.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) INFORMATION

GOVERNMENTAL ACCOUNTING STANDARDS BOARD INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution (ARC)	Actual Contribution**	Percentage of ARC Contributed
2004	0	0	100%
2005	0	0	100%
2006	0	0	100%
2007	0	0	100%
2008	7,075	7,075	100%
2009	35,496	35,496	100%
2010	107,526	107,526	100%
2011	317,969	317,969	100%
2012	480,448	480,448	100%
2013	489,851	489,851	100%

** From Comprehensive Annual Financial Reports

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
7/1/2006	20,277,743	16,810,351	(3,467,392)	120.6%	5,668,903	-61.2%
7/1/2007	21,097,686	17,605,559	(3,492,127)	119.8%	5,688,280	-61.4%
7/1/2008	21,600,485	18,575,389	(3,025,096)	116.3%	6,011,092	-50.3%
7/1/2009	20,489,365	19,215,789	(1,273,576)	106.6%	5,936,682	-21.5%
7/1/2010	20,296,557	20,254,008	(42,549)	100.2%	5,978,521	-0.7%
7/1/2011	20,798,081	20,677,719	(120,362)	100.6%	5,997,833	-2.0%
7/1/2012	21,267,743	21,296,785	29,042	99.9%	6,187,888	0.5%
7/1/2013	22,015,577	22,059,641	44,064	99.8%	6,517,439	0.7%

NET PENSION OBLIGATION/(ASSET)

	Fiscal Year 2012	Fiscal Year 2013
Annual Required Contribution (ARC)	480,448	489,851
Interest on Net Pension Obligation	0	0
Adjustment to ARC	0	0
Annual Pension Cost	480,448	489,851
Contributions Made	(480,448)	(489,851)
Increase in Net Pension Obligation	0	0
Net Pension Obligation (NPO), Beginning of Year	0	0
Net Pension Obligation (NPO), End of Year (negative NPO = Net Pension Asset)	0	0

ACTUARIAL METHODS AND ASSUMPTIONS

ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Cost Method:

The Entry Age Normal Actuarial Cost Method was used. The contribution equals the Normal Cost plus the amount needed to amortize the Unfunded Actuarial Accrued Liability over a rolling ten year period. The Normal Cost is the level annual payment that would be required to fund the Plan if paid from the date each employee became eligible to participate to the date of exit. The Actuarial Accrued Liability is the accumulated value of the Normal Cost for each employee from date of participation to the present. The Unfunded Actuarial Accrued Liability is the Actuarial Accrued Liability minus the Plan Value of Assets. Actuarial gains and losses reduce or increase the Unfunded Actuarial Accrued Liability.

All actuarial liabilities were computed as of July 1, 2013.

Actuarial Assumptions:

Assumed Investment Return: 7.50% per year, net of expenses.

Salary Increases: 3.25% per year, plus a service-based merit increase, as follows:

Years of Service	Addt'l Increase
0 - 4	3.5%
5 - 9	2.5%
10 - 14	2.0%
15 - 19	1.0%
20+	0.0%

Mortality: Rates of mortality for active and retired Participants are given by the Retired Pensioners (RP) 2000 Mortality Tables for males and females published by the Society of Actuaries. No explicit assumption has been made for future generational improvements because there has not yet been enough experience to make such a determination.
For deaths while employed, it is assumed that all members will have an eligible beneficiary.

Disability Rates: Rates of disability for Participants are given by the Period 2, Benefit 4 rates in the 1952 disability study. Representative rates are as follows:

Age	Assumed Rate
20	1.05%
30	0.12%
40	0.20%
50	0.46%
60+	0.00%

Termination Rates: Rates vary by service as follows:

Years Service	Assumed Rate
0 - 4	11%
5 - 8	7%
9+	1%

Terminated vested members are assumed to begin collecting benefits at age 60.

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ACTUARIAL & RETIREMENT PLAN SOLUTIONS

ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Retirement Rates: Rates of retirement are based on the Participant's age as follows:

Age	Assumed Rate
55 - 59	10%
60 - 64	20%
65 - 69	50%
70+	100%

Assumed Form of Payment: Single Life Annuity

Changes in assumptions since the prior valuation:
There have been no changes in actuarial assumptions since the prior valuation.

BOOMERSHINE CONSULTING GROUP, L.L.C.
ACTUARIAL & RETIREMENT PLAN SOLUTIONS

HIGHLIGHTS OF PLAN PROVISIONS

HIGHLIGHTS OF PLAN PROVISIONS

Definifitions:

Credited Service	Service is defined as a period of continuous, uninterrupted employment as an employee of the City of Ferguson. Credited Service begins on the first day of the month coincident with or following the date of hire, and is counted in years and completed months.
Normal Retirement Date	The Normal Retirement Date is the first day of the month coincident with or following the completion of eight years of Credited Service, provided the participant is at least 60 years old. Unreduced benefits are also available at age 55 if the sum of the member's age and service is at least 82½.
Average Monthly Compensation	The highest average of the monthly compensation received during 60 consecutive months which are part of the last 96 months of service.
Funding:	There are no employee contributions. The City contributes the amount necessary to fund any remaining cost over the future lifetime of current participants.
Participation:	All regular, full time uniformed and non-uniformed employees are covered under the Plan.
Retirement Benefits:	
Eligibility	A Plan participant may retire at his or her Normal Retirement Date or upon completion of eight years of Credited Service and after age 55. Retirement before the Normal Retirement Date is reduced by one-quarter of one percent for each month that the retirement date precedes the Normal Retirement Date. The participant may also retire without a reduced benefit after his or her 55th birthday, provided the sum of his or her age plus Credited Service is equal to at least 82½.
Benefit Amount	The benefit is equal to one and three-fourths of a percent of Average Monthly Compensation for each year of Credited Service.
Form of Benefit	The benefit begins at retirement and continues for the Participant's life. Alternate optional forms which provide either a continuance benefit or a guaranteed certain period are also available. A reduction in benefit is applied for alternate forms.
Termination Benefits:	An employee who has completed at least eight years of service is entitled to receive a monthly benefit calculated in accordance with the Retirement Benefit formula beginning at his or her Normal Retirement Date.
Disability Benefits:	
Eligibility	Total and permanent disability as deemed by the Board.
Benefit Amount	The monthly benefit, payable for the lifetime of the participant, is determined in accordance with Retirement Benefit provisions, and is payable immediately. In no event may the monthly amount be lower than $450.
Death Benefits:	
Retirement Eligible	If a participant dies while in active service and eligible for retirement, his beneficiary shall receive a benefit determined as an actuarial equivalent of the benefit as if the participant had actually retired on the date before their death. The benefit will be paid for 120 months.
Not Retirement Eligible	If a participant dies while in active service and vested but not eligible for retirement, his beneficiary shall receive 120 monthly payments equal to the amount of benefit accrued to the date of death, with no reduction for early retirement.
Supplemental Benefit:	Upon retirement before Medicare Eligibility, the participant will receive a monthly supplement equal to $5 for each year of service (up to 30 years). The benefit is payable until the retiree is eligible for Medicare.

Changes in Plan provisions since the prior valuation

There have been no changes in plan provisions since the prior valuation.

GLOSSARY OF KEY ACTUARIAL TERMINOLOGY

Active Participant	An actively employed plan member.
Actuarial Accrued Liability (AAL):	The portion of benefits deemed to be accrued by participants based on past service. The AAL serves as the asset funding target, when annual contributions are determined.
Actuarial Value of Assets (AVA):	The smoothed value of assets, used to compute the Unfunded AAL. The purpose of the AVA is to control volatiity in annual contributions.
Amortization of Unfunded Liability:	The portion of the annual contribution that represents a portion of the Unfunded AAL. The amortization can be positive or negative.
Amortization Method:	Used to distinguish between level dollar and level percentage of pay amortization payments.
Annual Pension Cost (APC):	An accrual-basis measure of the periodic cost of a pension plan (GASB term).
Annual Required Contribution (ARC):	A GASB accounting term, representing the annual benefit accrual and the amortization.
Closed Group Valuation:	A vauation that does not take into account any future plan members, only those who are participating (active or inactive) as of the valuation date.
Employer's Contributions:	Contributions made in relation to the ARC. An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.
Funded Ratio:	The plan asset value expressed as a percentage of the actuarial accrued liability.
Discount Rate:	The rate used to adjust a future benefit payment or stream of payments, to reflect the time value of money (often equal to the expected rate of return on plan assets).
Inactive Participant:	A former employee or beneficiary, entitled to a benefit from the plan.
Level Percentage of Projected Payroll Amortization Method:	Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years, resulting in an increasing payment. This method should not be used if the plan is closed to new entrants.
Market Value of Assets (MVA):	The total vaue of Plan assets available to pay benefits.
Net Pension Obligation:	GASB term for the cumulative difference between annual pension cost and the employer's contributions to the plan, with some adjustments.
Normal Cost:	That portion of the annual contribution that represents one year's accrual of benefits.
Payroll Growth Rate:	An actuarial assumption regarding future increases in total covered payroll; used in applying the level percentage of projected payroll amortization method.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Value of Assets and the Actuarial Accrued Liability.