

Town of Granby Pension Plan

Actuarial Valuation as of July 1, 2025
To Determine Funding for Fiscal Year 2026-27

Prepared by

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Certification

As part of our engagement with the Town of Granby ("Town"), we have performed an actuarial valuation of the Plan as of July 1, 2025. Our findings are set forth in this actuary's report. The main purposes of this valuation are to determine funding for fiscal year 2026-27, 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. Note that a Plan's funded status is dependent on the selection of both the actuarial cost method and the asset smoothing method; different measurements would result if, for instance, the Market Value of Assets were used in place of the Actuarial Value of Assets.

Actuarial assumptions, including interest rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Town, 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 Town 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 Town. 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 Town. 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 Town may provide a copy of Milliman's work, in its entirety, to the Town'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 Town; and (b) the Town 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. 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.



Rebecca A. Sielman, FSA
Consulting Actuary



Yelena Pelletier, ASA
Consulting Actuary

i. Summary of Principal Results

Actuarial Valuation for Plan Year Beginning	July 1, 2024	July 1, 2025
Membership		
Active Members	50	50
Terminated Members	14	14
Members in Pay Status	<u>61</u>	<u>65</u>
Total Count	125	129
Payroll	\$4,512,964	\$4,655,362
Assets and Liabilities		
Market Value of Assets	\$23,464,212	\$25,430,187
Actuarial Value of Assets	23,056,936	24,358,940
Accrued Liability for Active Members	8,534,663	8,356,447
Accrued Liability for Terminated Members	918,740	785,773
Accrued Liability for Members in Pay Status	<u>16,156,453</u>	<u>17,013,371</u>
Total Accrued Liability	25,609,856	26,155,591
Unfunded Accrued Liability	2,552,920	1,796,651
Funded Ratio	90.0%	93.1%
Actuarially Determined Contribution		
For Fiscal Year	2025-26	2026-27
Normal Cost	\$462,425	\$490,381
Past Service Cost	195,986	145,189
Interest	<u>42,797</u>	<u>41,312</u>
Actuarially Determined Contribution	701,208	676,882
Allocation of Actuarially Determined Contribution*		
Allocated to Town	143,036	130,435
Allocated to Police	202,486	216,906
Allocated to Board of Education	<u>355,686</u>	<u>329,541</u>
Total	701,208	676,882

*Allocated on the basis of payroll

ii. Changes Since the Prior Valuation

Plan Experience

From July 1, 2024 to July 1, 2025, the plan's assets earned 11.94% on a Market Value basis and 9.22% on an Actuarial Value basis. The interest rate assumption for this period was 6.50%; the result is an asset gain of about \$1.3 million on a Market Value basis and a gain of about \$0.6 million on an Actuarial Value basis.

From July 1, 2024 to July 1, 2025, the Accrued Liability was expected to grow from \$25.6 million to \$26.3 million, based on expected changes in the plan's membership per the actuarial assumptions. Actual changes in the plan's membership during this period resulted in an Accrued Liability as of July 1, 2025 of \$26.3 million (measured before any changes in the plan provisions or the actuarial methods and assumptions). This difference of \$700 between the expected Accrued Liability and the actual Accrued Liability is termed a 'liability loss'. The primary factors contributing to this liability loss were: (1) a modest loss from higher than expected pay increases; (2) a small loss from mortality, with less deaths than expected; offset by (3) a small gain from fewer retirements and more terminations than expected.

Plan Changes

None.

Changes in Actuarial Assumptions

We updated the mortality tables from Pub-2010 to Pub-2016. This change caused the Unfunded Accrued Liability to decrease by about \$133,600 and the Actuarially Determined Contribution to decrease by about \$12,600.

Changes in Actuarial Methods

This report reflects the change to the amortization method to layered 15-year amortization once the current closed period falls below 15 years. The change did not affect the results of this valuation, but is reflected in the forecasts contained in this report.

Other Significant Changes

None.

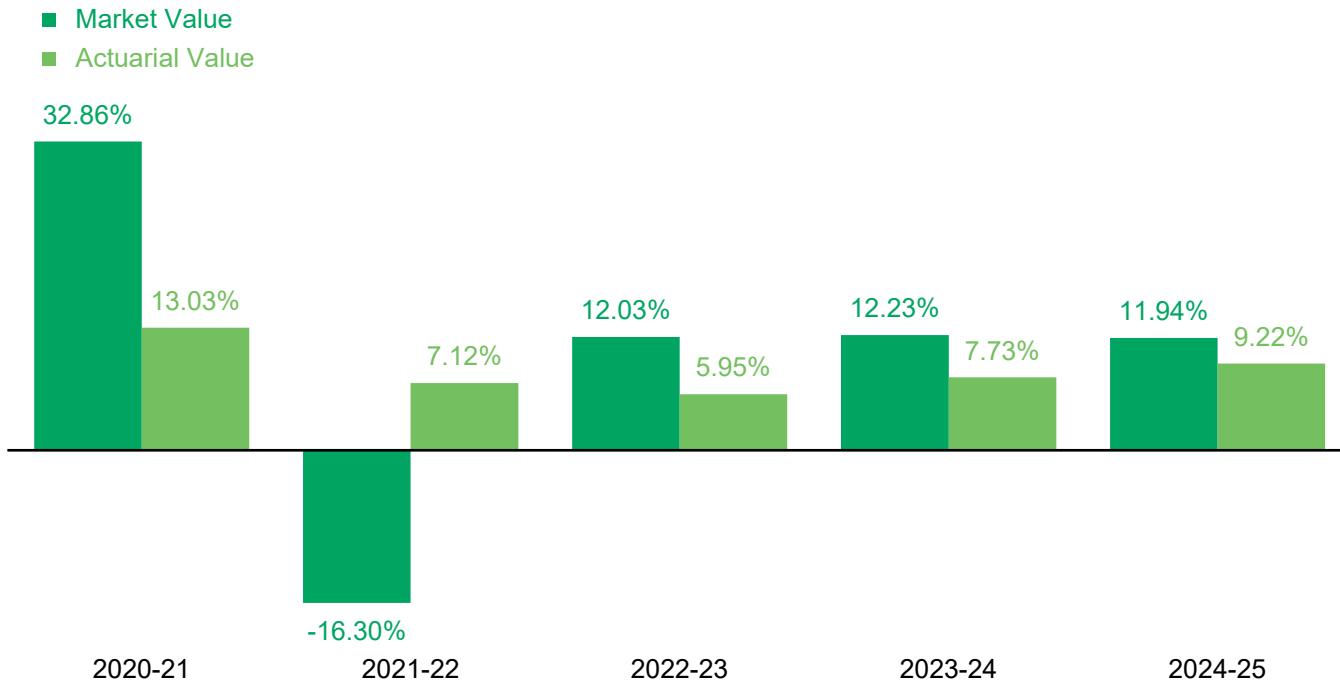
iii. Asset Performance

There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses non-asymptotically over five years.

	Market Value	Actuarial Value
Value as of July 1, 2024	\$23,464,212	\$23,056,936
Town Contributions and Member Contributions	839,886	839,886
Investment Income	2,754,197	2,090,226
Benefit Payments	(1,628,108)	(1,628,108)
Value as of July 1, 2025	25,430,187	24,358,940

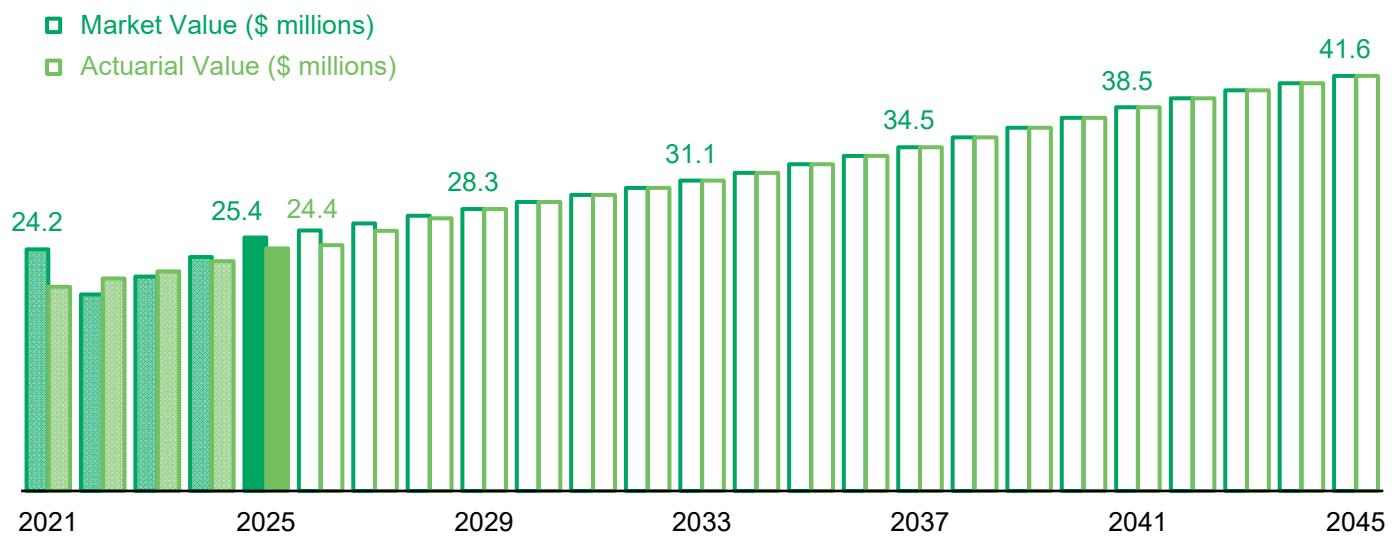
The Actuarial Value currently is less than the Market Value by \$1.0 million. This figure represents investment gains that will be gradually recognized in future years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

Historical rates of return are shown in the graph below:



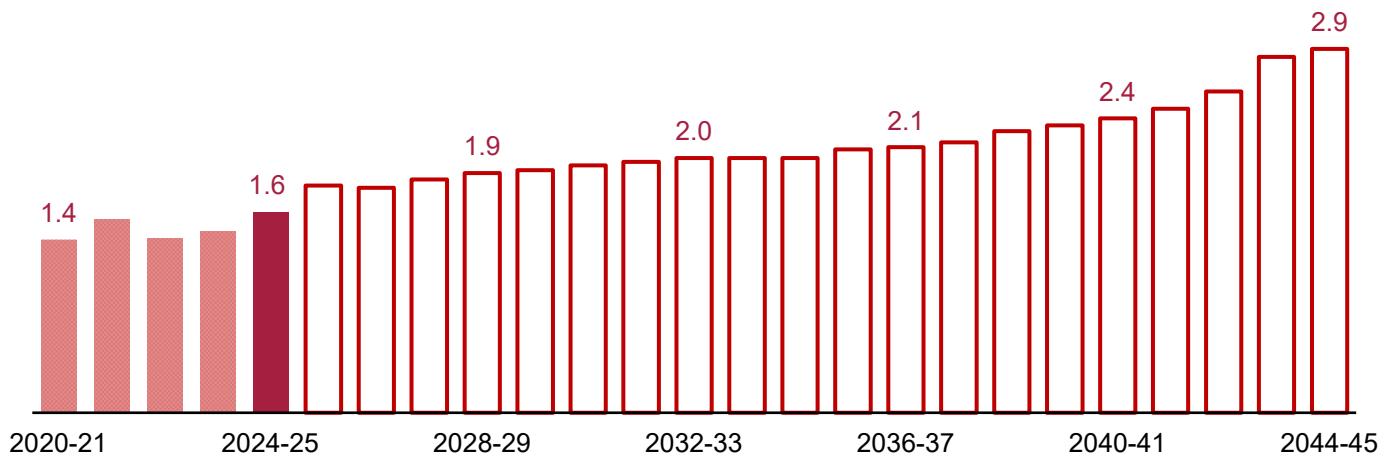
iv. Asset Forecast

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 Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.



In 2024-25, the plan paid out \$1.6 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$44 million in benefits to members.

Benefit Payments (\$ millions)

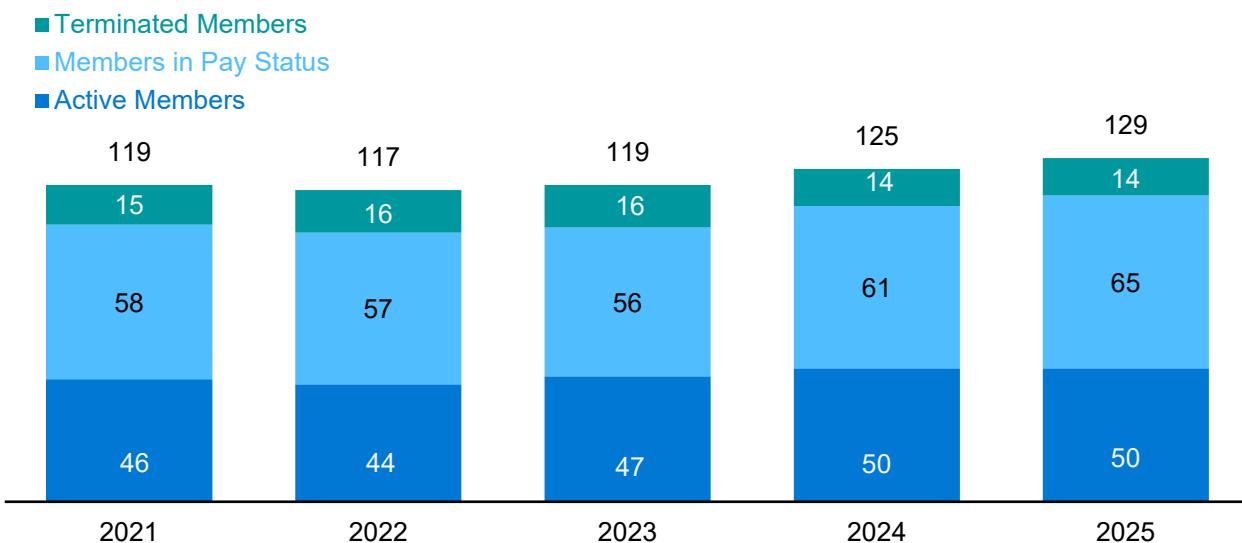


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

v. Membership

Overview

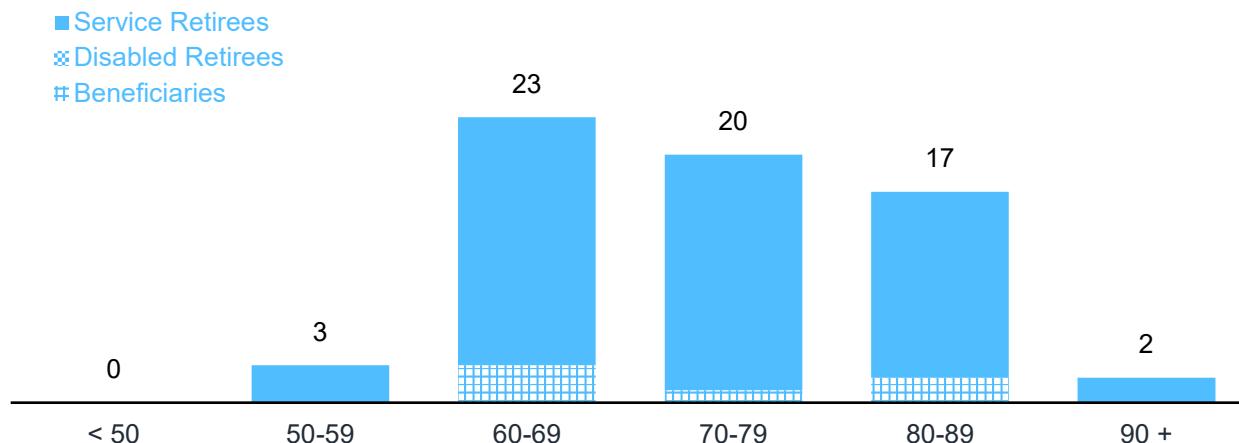
There are three basic categories of plan members included in the valuation: (1) active employees who have met the eligibility requirements for membership, (2) members who are currently receiving monthly pension benefits, and (3) former employees who have a right to benefits but have not yet started collecting.



Members in Pay Status on July 1, 2025

Service Retirees	59	Average Age	73.2
Disabled Retirees	0	Total Annual Benefit	\$1,694,900
Beneficiaries	6	Average Annual Benefit	26,075
Total	65		

The members in pay status fall across a wide distribution of ages:



v. Membership (continued)

Terminated Vested Members on July 1, 2025

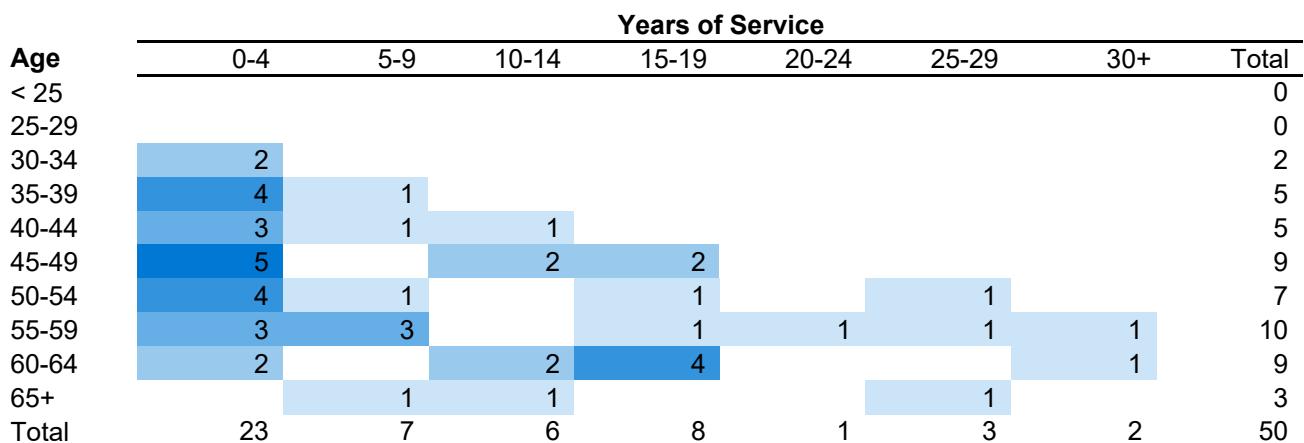
Count	7
Average Age	58.0
Total Annual Benefit	\$110,725
Average Annual Benefit	15,818

Nonvested Members Due Refunds on July 1, 2025

Count	7
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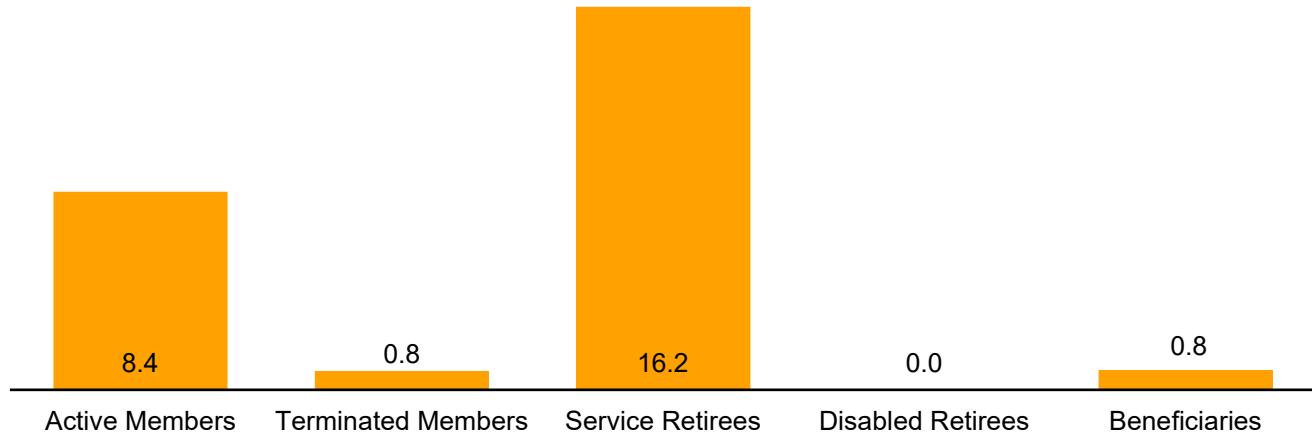
Active Members on July 1, 2025

	Town	Police	Board of Education	Total
Count	9	12	29	50
Average Age	57.2	43.7	52.9	51.5
Average Service	21.5	6.3	8.0	10.0
Payroll	\$897,086	\$1,491,803	\$2,266,473	\$4,655,362
Average Payroll	99,676	124,317	78,154	93,107

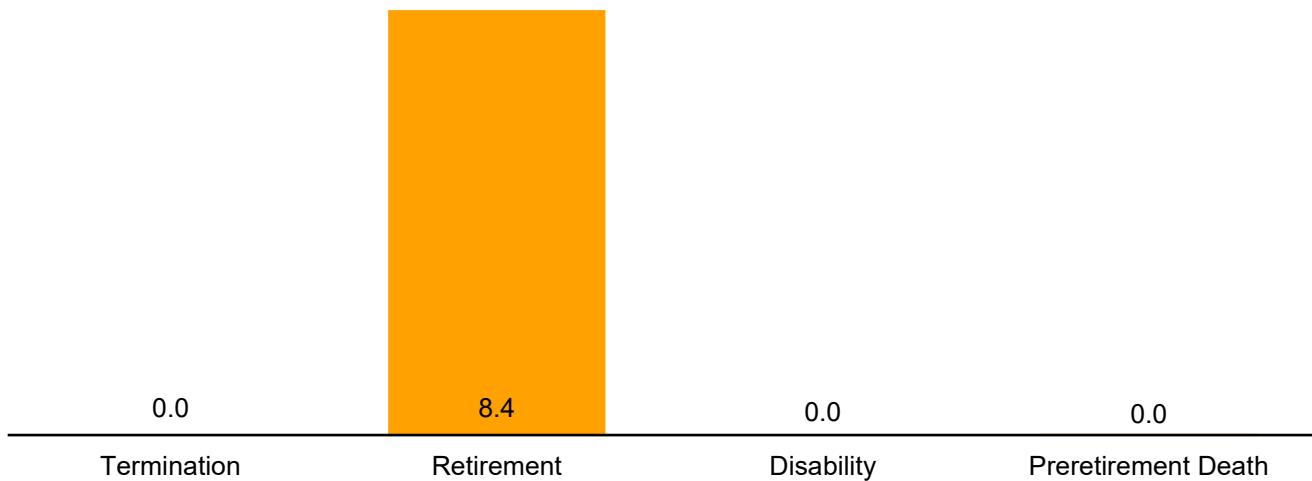


vi. Accrued Liability

The Accrued Liability as of July 1, 2025 equals \$26,155,591, which consists of the following pieces (in \$ millions):

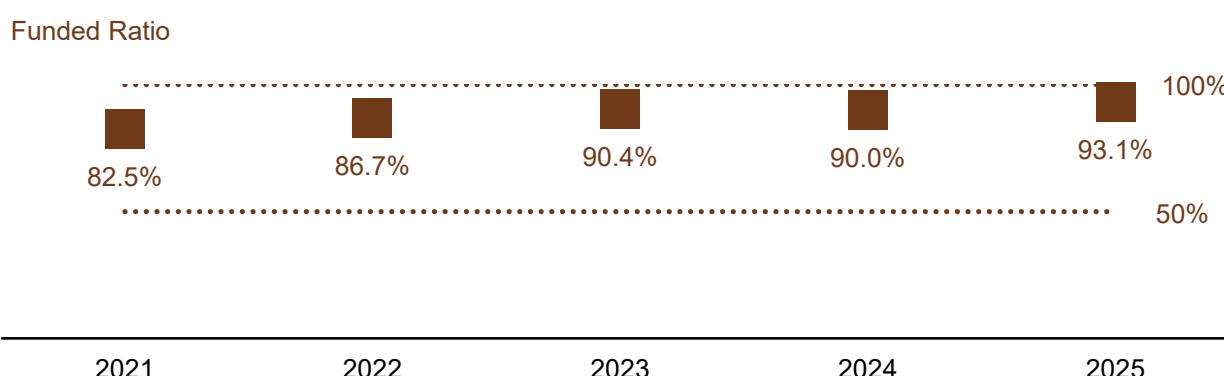
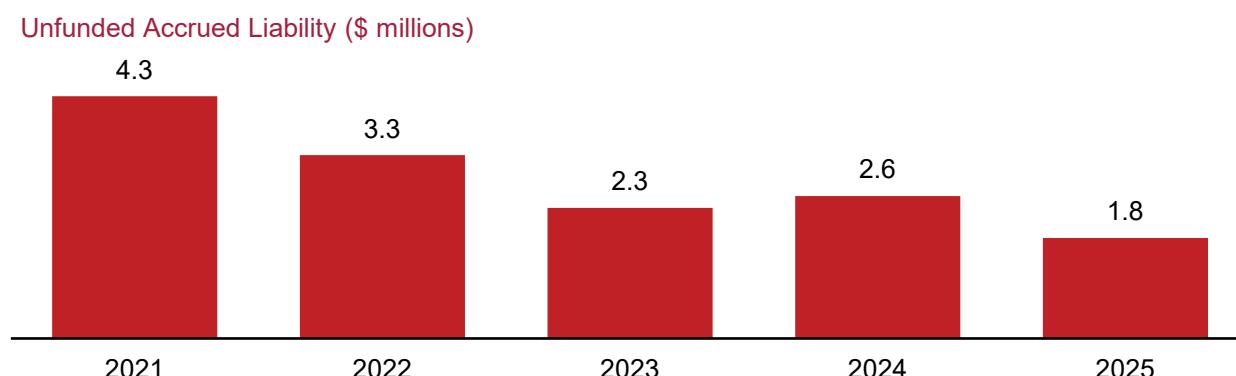
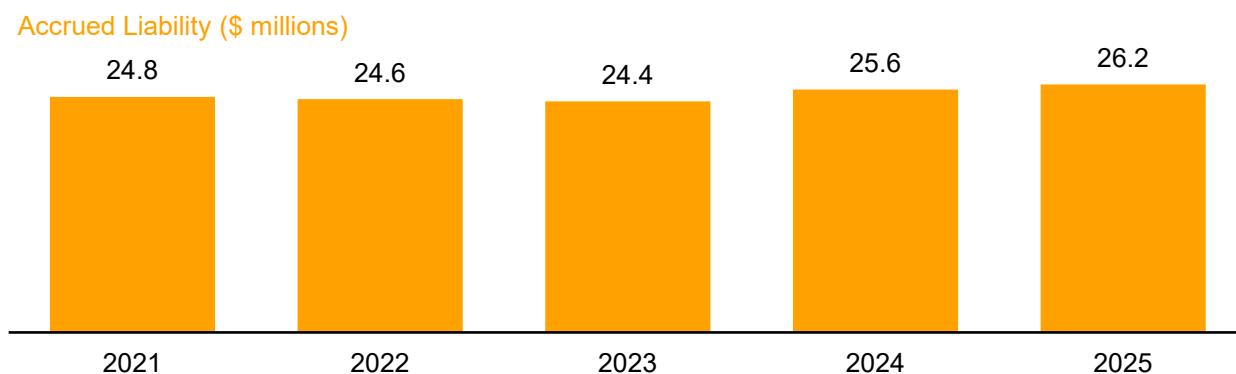


The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:



vii. Funded Status

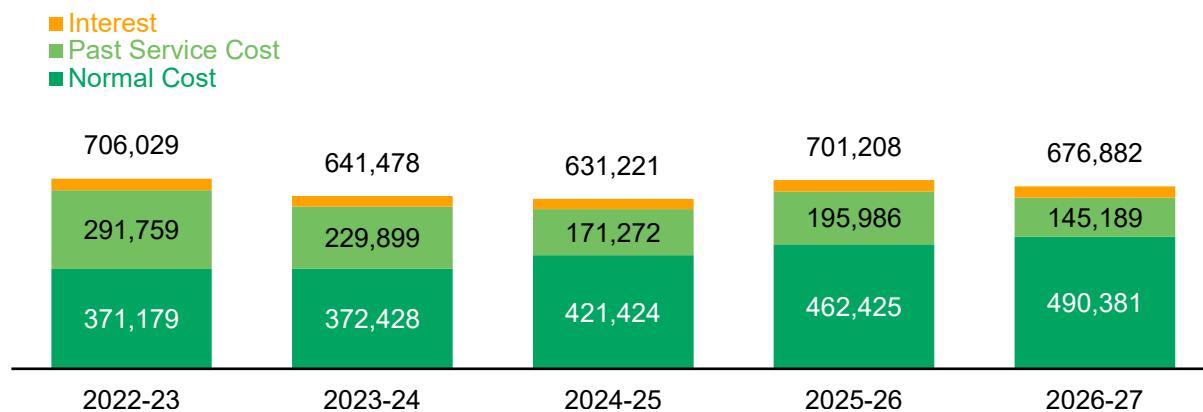
The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members in pay status receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference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



viii. Actuarially Determined Contribution (ADC)

The ADC consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the timing of the contribution relative to the valuation date. The ADC for fiscal year 2026-27 is \$676,882:

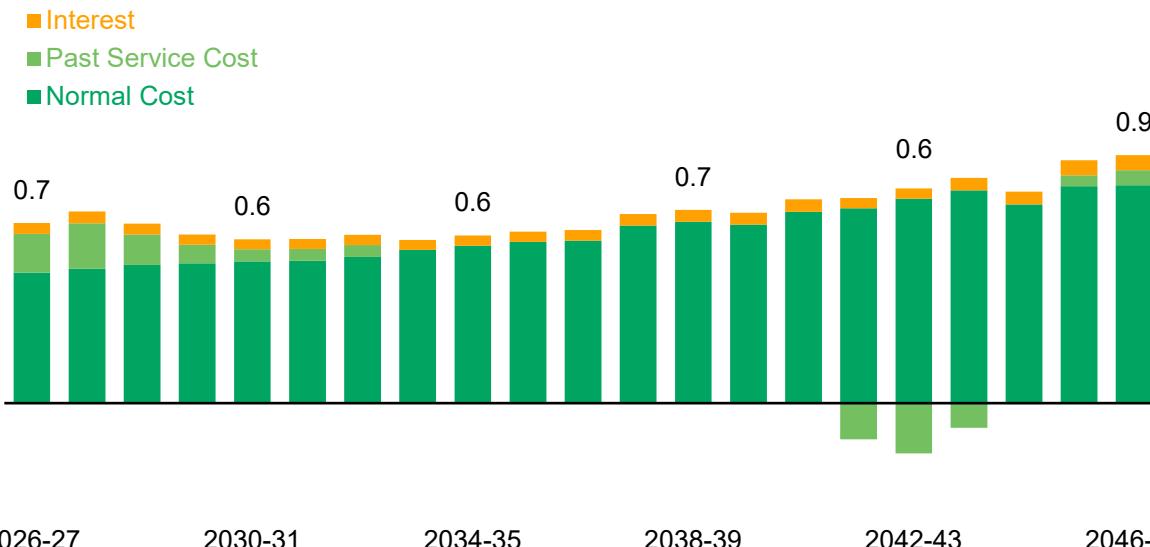
The ADC for the past five years is shown below:



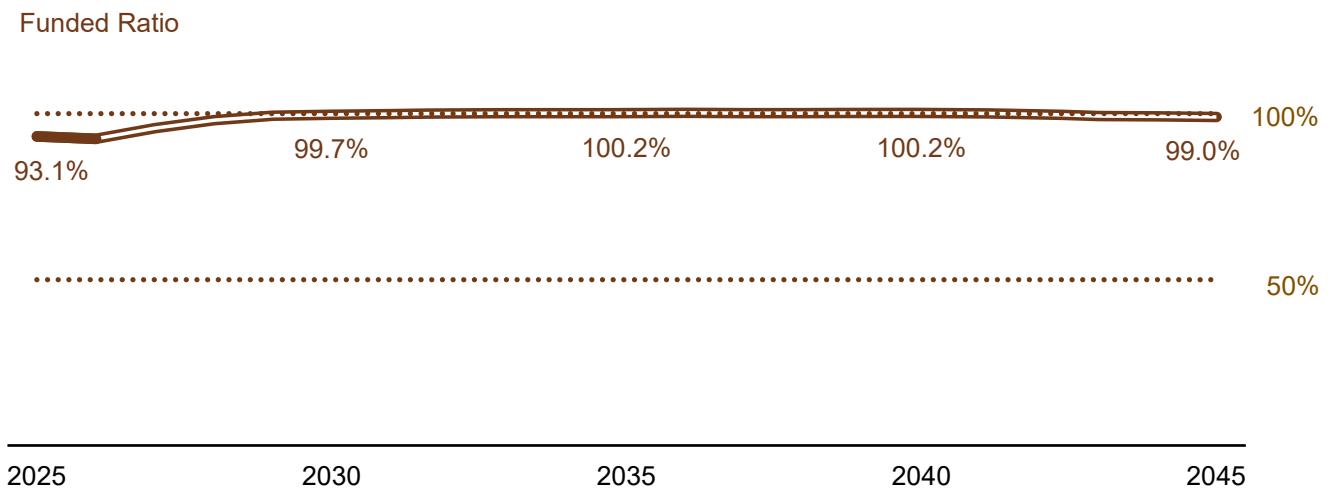
Actuarial Standard of Practice (ASOP) No. 4 requires the actuary to calculate and disclose a 'reasonable' ADC, which considers whether the actuarial methods and actuarial assumptions are in compliance with all applicable ASOPs. Based on the actuarial assumptions and methods used in this report, we believe the ADC meets this standard and reflects a balance among benefit security for plan members, intergenerational equity among stakeholders, and stability of periodic costs.

ix. Long-Range Forecast

If the Town pays the Actuarially Determined Contribution 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):



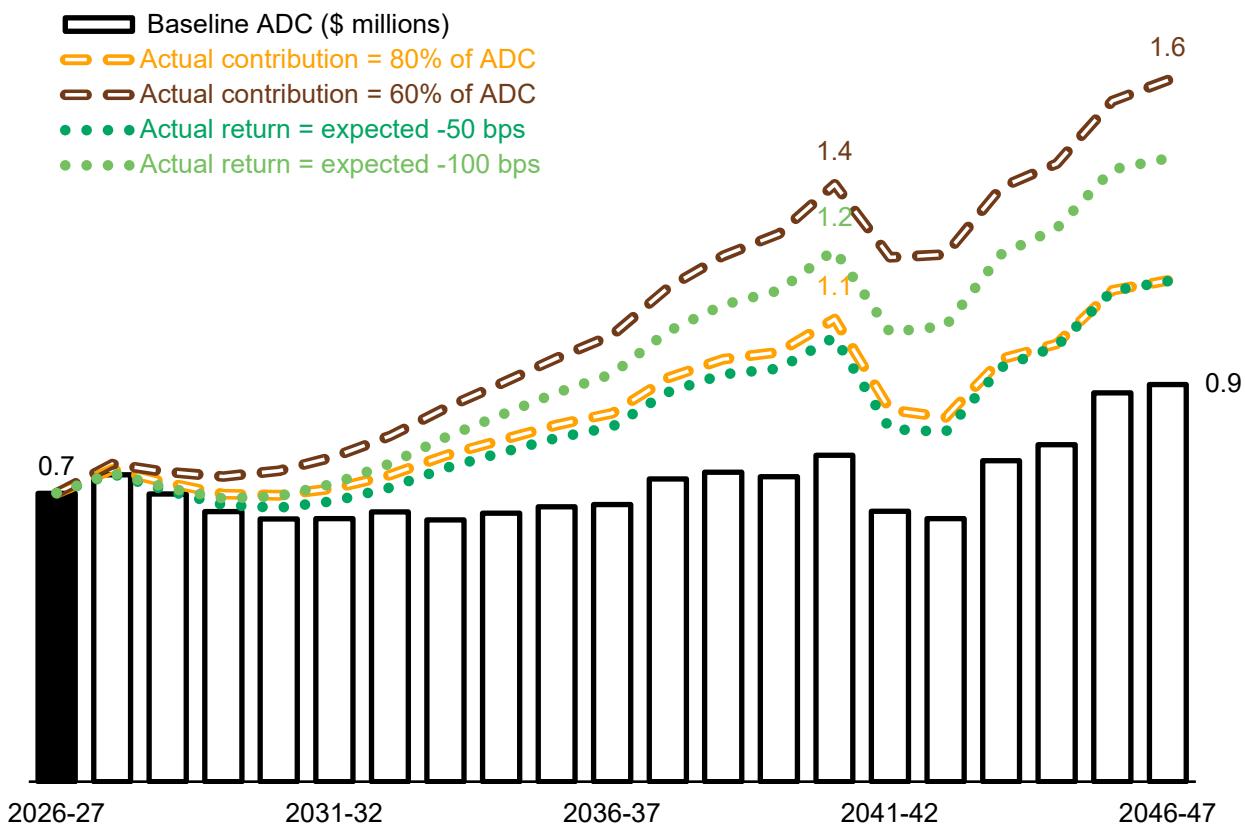
On the basis of this forecast, the Actuarially Determined Contribution currently exceeds the sum of the Normal Cost plus one year's interest on the Unfunded Accrued Liability and the Unfunded Accrued Liability is expected to be fully amortized by 2032. Over time, the funded ratio is expected to change 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.

ix. Long-Range Forecast (continued)

Pension benefits are paid for through a combination of contributions from the Town and from active members, and investment income. If the Town pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



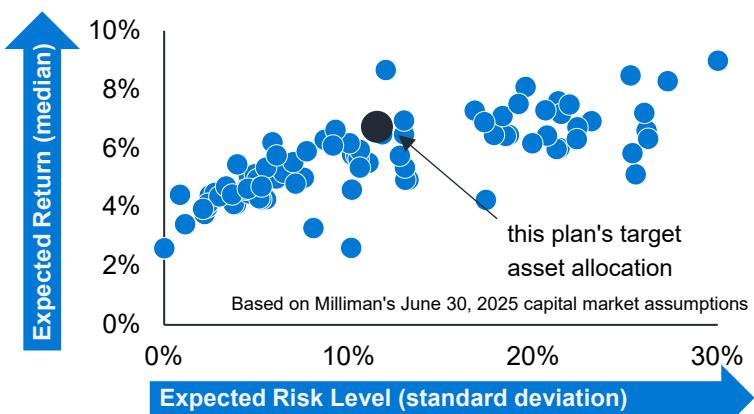
The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Town's future contribution levels. Stochastic projections could be prepared that would enable the Town to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

x. Asset Allocation Considerations

Monies that flow out of a pension plan (benefits and expenses) must be matched over the long term by monies that flow into the plan (contributions and investment income). This is expressed in a classic equation: **B** (benefits) + **E** (expenses) = **C** (contributions) + **I** (investment income).

Actuarial assumptions enable us to anticipate the long-term levels of **B** (benefits) and **E** (expenses) that will be paid out of the plan. In order to determine the appropriate level of **C** (contributions) that should come in to the plan, we must first anticipate the long-term level of **I** (investment income) the plan is likely to receive. That is why, for purposes of determining future funding levels, we measure **this** plan's liability using the long-term rate of investment returns **this** plan's portfolio is expected to generate.

Pension plans construct their portfolios by allocating assets across a wide range of asset classes with different risk and return profiles; the graph includes nearly 100 asset classes that pension plans invest in. As the graph illustrates, asset classes with higher expected returns also have higher risk levels; that is, a higher likelihood of experiencing both very good returns and very bad returns. Asset classes with lower expected returns also have lower risk levels.



The plan's target allocation represents a balance. Investing in lower-returning asset classes should reduce future investment returns and therefore increase future Town contributions, but the lower risk levels would result in lower year-over-year volatility in the Actuarially Determined Contribution and might provide more benefit security for plan members. Conversely, investing in higher-returning asset classes should increase future investment returns and therefore reduce future Town contributions, but would also increase the volatility of those contributions and potentially reduce benefit security for plan members.

In the graph above, the asset class with the lowest risk level is US Cash, and the asset class with the highest risk level is Private Equity. If the plan were invested 100% in either of these extremes, it would impact the interest rate assumption and therefore the Accrued Liability, Funded Ratio, and ultimately the Town's annual contributions; the volatility of the contributions would also change based on the risk level of the portfolio:

	100% US Cash *	Plan's Interest Rate Assumption	100% Private Equity
Expected long-term return (median)	3.4%	6.50%	9.0%
Expected risk level (standard deviation)	1.1%	11.5%	30.0%
Accrued Liability on July 1, 2025 **	\$34.9 million	\$26.2 million	\$20.7 million
Funded Ratio on July 1, 2025 ***	70%	93%	117%

* This would be considered a "low-default-risk obligation measure" (LDROM) using the language of ASOP 4.

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the interest rate; the plan's duration on the valuation date, as measured for GASB 68 purposes, was used to estimate the impact of the interest rate difference relative to the valuation interest rate assumption.

*** Measured using the Actuarial Value of Assets

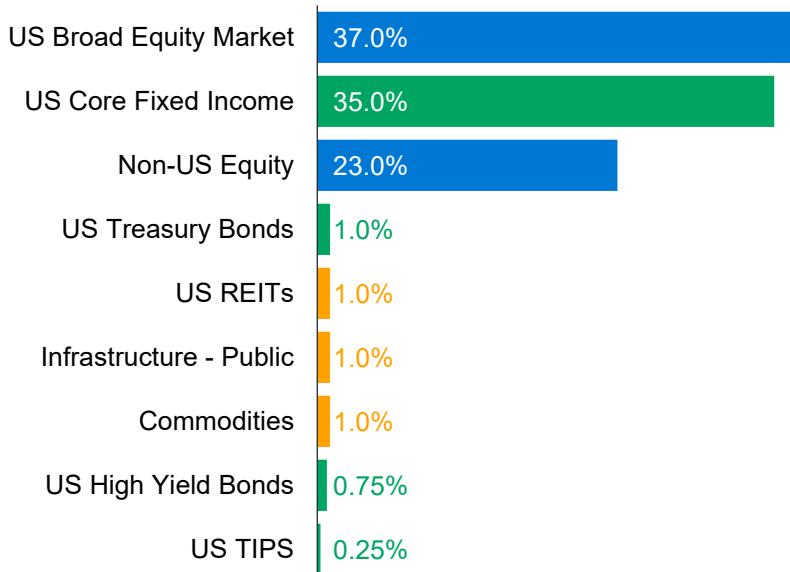
1. Summary of Fund Transactions

Market Value as of July 1, 2024	\$23,464,212
Town Contributions	631,221
Member Contributions	208,665
Net Investment Income	2,754,197
Benefit Payments	(1,615,637)
Administrative Expenses	(12,471)
Market Value as of June 30, 2025	25,430,187
Expected Return on Market Value of Assets	1,499,353
Market Value (Gain)/Loss	(1,254,844)
Approximate Rate of Return *	11.94%

* 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.

Target Asset Allocation as of June 30, 2025

- **Equity: 60% of portfolio**
- **Fixed Income: 37% of portfolio**
- **Other: 3% of portfolio**



2. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses in equal installments ('non-asymptotically') over a five year period. The Actuarial Value of Assets as of July 1, 2025 is determined below.

1. Expected Market Value of Assets:

a. Market Value of Assets as of July 1, 2024	\$23,464,212
b. Town Contributions and Member Contributions	839,886
c. Benefit Payments	(1,628,108)
d. Expected Earnings Based on 6.50% Interest	<u>1,499,353</u>
e. Expected Market Value of Assets as of July 1, 2025	24,175,343

2. Actual Market Value of Assets as of July 1, 2025

25,430,187

3. Market Value (Gain)/Loss: (1e) - (2)

(1,254,844)

4. Delayed Recognition of Market (Gains)/Losses

Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized
06/30/2025	(\$1,254,844)	80%	(\$1,003,875)
06/30/2024	(1,214,446)	60%	(728,668)
06/30/2023	(1,075,283)	40%	(430,113)
06/30/2022	5,457,046	20%	<u>1,091,409</u>
			(1,071,247)

5. Actuarial Value of Assets as of July 1, 2025: (2) + (4)

24,358,940

6. Return on Actuarial Value of Assets

2,090,226

7. Approximate Rate of Return on Actuarial Value of Assets

9.22%

8. Actuarial Value (Gain)/Loss

(616,639)

3. Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a closed 20 year period starting on July 1, 2020.

	July 1, 2024	July 1, 2025
1. Accrued Liability		
Active Members	\$8,534,663	\$8,356,447
Terminated Members	918,740	785,773
Service Retirees	15,287,502	16,175,779
Disabled Retirees	0	0
Beneficiaries	<u>868,951</u>	<u>837,592</u>
Total	25,609,856	26,155,591
2. Actuarial Value of Assets (see Exhibit 2)	23,056,936	24,358,940
3. Unfunded Accrued Liability: (1) - (2)	2,552,920	1,796,651
4. Funded Ratio: (2) / (1)	90.0%	93.1%
5. Amortization Period	16	15
6. Amortization Growth Rate	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	195,986	145,189

4. Actuarial Gains / Losses

From one valuation to the next, the Accrued Liability and the Actuarial Value of Assets may change in ways that were not anticipated by the actuarial assumptions that were used in the last valuation. If the Accrued Liability is lower than expected or the Actuarial Value of Assets is higher than expected, we say that the plan has experienced an 'actuarial gain', and if the Accrued Liability is higher than expected or the Actuarial Value of Assets is lower than expected, we say that the plan has experienced an 'actuarial loss'. The actuarial gains / (losses) that arose during 2024-25 are shown below, along with the impact of plan changes and changes in the actuarial assumptions and method. Please see page 4 for more details on any changes since the last valuation.

	Accrued Liability A	Actuarial Value of Assets B	Unfunded Accrued Liability = A - B	
1. Value as of July 1, 2024	\$25,609,856	\$23,056,936	\$2,552,920	
2. Normal Cost as of July 1, 2024	640,513		640,513	
3. Town Contributions during 2024-25		631,221	(631,221)	
4. Member Contributions during 2024-25		208,665	(208,665)	
5. Benefit Payments during 2024-25	(1,615,637)	(1,615,637)	0	
6. Administrative Expenses during 2024-25		(12,471)	12,471	
7. One year of interest on (1) thru (2) at 6.50%	1,706,274	1,498,701	207,573	
8. Half year of interest on (3) thru (6) at 6.50%	(52,508)	(25,114)	(27,394)	
9. Expected value as of July 1, 2025	26,288,498	23,742,301	2,546,197	
10. Actual value as of July 1, 2025 before any plan, assumption, or method changes	26,289,190	24,358,940	1,930,250	
11. Experience gains / losses: (10) - (9)	692	616,639	(615,947)	
12. Impact of plan changes (see page 4)	0	0	0	
13. Impact of assumption changes (see page 4)	(133,599)	0	(133,599)	
14. Impact of method changes (see page 4)	0	0	0	
15. Final value as of July 1, 2025	26,155,591	24,358,940	1,796,651	

5. Actuarially Determined Contribution

	2025-26	2026-27
1. Total Normal Cost	\$640,513	\$683,483
2. Expected Member Contributions	190,288	205,902
3. Expected Administrative Expenses	12,200	12,800
4. Net Normal Cost: (1) - (2) + (3)	462,425	490,381
5. Past Service Cost (see Exhibit 3)	195,986	145,189
6. Interest on (4) + (5) to the start of the fiscal year	42,797	41,312
7. Actuarially Determined Contribution: (4) + (5) + (6)	701,208	676,882
8. Payroll		
Town	920,577	897,086
Police	1,303,198	1,491,803
Board of Education	<u>2,289,189</u>	<u>2,266,473</u>
Total	4,512,964	4,655,362
9. Allocation of (7) based on (8)		
Town	143,036	130,435
Police	202,486	216,906
Board of Education	<u>355,686</u>	<u>329,541</u>
Total	701,208	676,882

6. Long Range Funded Status Forecast

This forecast is based on the results of the July 1, 2025 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution 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	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
7/1/2025	\$26,155,591	\$24,358,940	\$1,796,651	93.13%
7/1/2026	26,690,000	24,666,000	2,024,000	92.42%
7/1/2027	27,295,000	26,103,000	1,192,000	95.63%
7/1/2028	27,879,000	27,341,000	538,000	98.07%
7/1/2029	28,463,000	28,293,000	170,000	99.40%
7/1/2030	29,082,000	28,986,000	96,000	99.67%
7/1/2031	29,718,000	29,679,000	39,000	99.87%
7/1/2032	30,384,000	30,392,000	(8,000)	100.03%
7/1/2033	31,080,000	31,127,000	(47,000)	100.15%
7/1/2034	31,854,000	31,906,000	(52,000)	100.16%
7/1/2035	32,706,000	32,765,000	(59,000)	100.18%
7/1/2036	33,534,000	33,611,000	(77,000)	100.23%
7/1/2037	34,452,000	34,493,000	(41,000)	100.12%
7/1/2038	35,423,000	35,473,000	(50,000)	100.14%
7/1/2039	36,358,000	36,444,000	(86,000)	100.24%
7/1/2040	37,373,000	37,434,000	(61,000)	100.17%
7/1/2041	38,422,000	38,497,000	(75,000)	100.19%
7/1/2042	39,490,000	39,403,000	87,000	99.78%
7/1/2043	40,514,000	40,205,000	309,000	99.24%
7/1/2044	41,249,000	40,901,000	348,000	99.16%

7. Long Range Cash Flow Forecast

This forecast is based on the results of the July 1, 2025 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution 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	Town Contributions	Member Contributions	Benefit Payments	Administrative Expenses	Net Cash Flows
2026-27	\$676,882	\$206,920	\$1,809,522	\$13,230	(\$938,950)
2027-28	720,000	200,000	1,877,000	14,000	(971,000)
2028-29	675,000	210,000	1,929,000	14,000	(1,058,000)
2029-30	634,000	224,000	1,953,000	14,000	(1,109,000)
2030-31	616,000	236,000	1,990,000	15,000	(1,153,000)
2031-32	617,000	238,000	2,018,000	15,000	(1,178,000)
2032-33	632,000	231,000	2,049,000	16,000	(1,202,000)
2033-34	614,000	248,000	2,050,000	16,000	(1,204,000)
2034-35	630,000	260,000	2,050,000	17,000	(1,177,000)
2035-36	645,000	248,000	2,119,000	17,000	(1,243,000)
2036-37	650,000	244,000	2,137,000	18,000	(1,261,000)
2037-38	710,000	261,000	2,176,000	18,000	(1,223,000)
2038-39	726,000	266,000	2,265,000	19,000	(1,292,000)
2039-40	715,000	281,000	2,312,000	19,000	(1,335,000)
2040-41	766,000	296,000	2,369,000	20,000	(1,327,000)
2041-42	634,000	288,000	2,447,000	21,000	(1,546,000)
2042-43	617,000	285,000	2,585,000	21,000	(1,704,000)
2043-44	753,000	277,000	2,864,000	22,000	(1,856,000)
2044-45	790,000	304,000	2,930,000	23,000	(1,859,000)
2045-46	912,000	302,000	3,109,000	23,000	(1,918,000)

8. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2012	\$12,359,518	\$15,660,430	\$3,300,912	78.9%
July 1, 2013	12,780,404	16,255,832	3,475,428	78.6%
July 1, 2014	14,100,445	17,059,369	2,958,924	82.7%
July 1, 2015	15,323,428	18,115,444	2,792,016	84.6%
July 1, 2016	15,844,834	18,958,052	3,113,218	83.6%
July 1, 2017	16,699,864	19,857,952	3,158,088	84.1%
July 1, 2018	17,563,945	20,602,143	3,038,198	85.3%
July 1, 2019	18,091,048	21,883,474	3,792,426	82.7%
July 1, 2020	18,679,657	23,848,199	5,168,542	78.3%
July 1, 2021	20,499,131	24,838,241	4,339,110	82.5%
July 1, 2022	21,313,242	24,594,892	3,281,650	86.7%
July 1, 2023	22,019,564	24,358,979	2,339,415	90.4%
July 1, 2024	23,056,936	25,609,856	2,552,920	90.0%
July 1, 2025	24,358,940	26,155,591	1,796,651	93.1%

9. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Payroll	Actual Contribution as a Percent of Payroll
2013-14	\$448,025	\$448,025	\$3,409,422	13.1%
2014-15	456,702	456,702	3,311,487	13.8%
2015-16	470,130	470,130	3,913,965	12.0%
2016-17	487,591	487,591	4,086,754	11.9%
2017-18	517,850	517,378	3,778,774	13.7%
2018-19	557,206	557,206	3,687,470	15.1%
2019-20	577,577	577,577	3,643,801	15.9%
2020-21	700,257	668,266	3,878,163	17.2%
2021-22	779,485	779,485	3,705,647	21.0%
2022-23	706,029	706,029	3,692,629	19.1%
2023-24	641,478	641,478	3,642,898	17.6%
2024-25	631,221	631,221	3,996,012	15.8%
2025-26	701,208	TBD	4,512,964	TBD
2026-27	676,882	TBD	4,655,362	TBD

10. Reconciliation of Membership from Prior Valuation

Details of the changes in the plan's membership since the last valuation are shown below. Additional details on the membership are provided in the following exhibits.

	Active Members	Terminated Vested Members	Nonvested Members Due Refunds	Service Retirees	Disabled Retirees	Beneficiaries	Total
Count July 1, 2024	50	7	7	55	0	6	125
Terminated							
- no benefits due	-	-	-	-	-	-	0
- refund due	-	-	-	-	-	-	0
- paid refund	-	-	-	-	-	-	0
- vested benefits due	(2)	2	-	-	-	-	0
Retired	(3)	(2)	-	5	-	-	0
Died							
- with beneficiary	-	-	-	-	-	-	0
- no beneficiary	-	-	-	(1)	-	-	(1)
Benefits expired	-	-	-	-	-	-	0
New member	5	-	-	-	-	-	5
Rehired	-	-	-	-	-	-	0
New Alternate Payee	-	-	-	-	-	-	0
Correction	-	-	-	-	-	-	0
Count July 1, 2025	50	7	7	59	0	6	129

Breakdown July 1, 2025							
Town	9	2	0	17	0	3	31
Police	12	2	3	6	0	2	25
Board of Education	29	3	4	36	0	1	73
Total	50	7	7	59	0	6	129

11. Statistics of Active Membership

		July 1, 2024	July 1, 2025
Number of Active Members	Town	10	9
	Police	10	12
	Board of Education	<u>30</u>	<u>29</u>
	Total	50	50
Average Age	Town	57.9	57.2
	Police	43.1	43.7
	Board of Education	52.9	52.9
	Total	51.9	51.5
Average Service	Town	21.2	21.5
	Police	6.5	6.3
	Board of Education	8.9	8.0
	Total	10.9	10.0
Payroll	Town	\$920,577	\$897,086
	Police	1,303,198	1,491,803
	Board of Education	<u>2,289,189</u>	<u>2,266,473</u>
	Total	4,512,964	4,655,362
Average Payroll	Town	\$92,058	\$99,676
	Police	130,320	124,317
	Board of Education	76,306	78,154
	Total	90,259	93,107

12. Distribution of Active Members as of July 1, 2025

Town

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39								0
40-44								0
45-49				2				2
50-54				1				1
55-59				1		1		2
60-64				1			1	2
65+			1			1		2
Total	0	0	1	5	0	2	1	9

Police

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34		1						1
35-39	3	1						4
40-44			1					1
45-49	3							3
50-54	1							1
55-59		1					1	2
60-64								0
65+								0
Total	8	2	1	0	0	0	1	12

Board of Education

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34		1						1
35-39		1						1
40-44	3	1						4
45-49	2		2					4
50-54	3	1					1	5
55-59	3	2		1				6
60-64	2	2	2	1				7
65+			1					1
Total	15	7	4	1	1	1	0	29

13. Statistics of Inactive Membership

	July 1, 2024	July 1, 2025
Terminated Vested Members		
Number	7	7
Total Annual Benefit	\$114,599	\$110,725
Average Annual Benefit	16,371	15,818
Average Age	58.7	58.0
Nonvested Members Due Refunds		
Number	7	7
Service Retirees		
Number	55	59
Total Annual Benefit	\$1,492,042	\$1,610,841
Average Annual Benefit	27,128	27,302
Average Age	72.7	73.2
Disabled Retirees		
Number	0	0
Total Annual Benefit	\$0	\$0
Average Annual Benefit	0	0
Average Age	0.0	0.0
Beneficiaries		
Number	6	6
Total Annual Benefit	\$84,059	\$84,059
Average Annual Benefit	14,010	14,010
Average Age	72.1	73.1

14. Distribution of Inactive Membership as of July 1, 2025

	Age	Number	Annual Benefits
Terminated Vested Members			
	< 50	2	\$47,901.00
	50 - 59	3	41,576.16
	60 - 69	1	4,000.80
	70 - 79	1	17,247.48
	80 - 89	0	0.00
	90 +	0	0.00
	Total	7	110,725.44
Service Retirees			
	< 50	0	\$0.00
	50 - 59	3	177,129.00
	60 - 69	20	552,681.96
	70 - 79	19	542,553.84
	80 - 89	15	321,242.88
	90 +	2	17,233.44
	Total	59	1,610,841.12
Disabled Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	0	0.00
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	0.00
	Total	0	0.00
Beneficiaries			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	3	56,073.60
	70 - 79	1	10,935.72
	80 - 89	2	17,049.84
	90 +	0	0.00
	Total	6	84,059.16

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 in Pay Status 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.

Asset Smoothing Method

The Actuarial Value of Assets is determined by recognizing market gains and losses non-asymptotically over a five year period.

Amortization Method

The Unfunded Accrued Liability is the excess of the Accrued Liability less the Actuarial Value of Assets. This Unfunded Accrued Liability is amortized as a level percent over a closed 20 year period starting on July 1, 2020. The amortization period will decrease each year until it reaches 15 years, after which point the Unfunded Accrued Liability will be amortized using layered 15-year bases. With the layered base method, each year a new amortization base is established for the actuarial gains or losses that have emerged since the last valuation. If the Actuarial Value of Assets exceeds the Accrued Liability and the sum of the amortization payments is negative, the Past Service Cost is zero.

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 employee groups 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	6.50%																								
Salary Scale	3.50%																								
Amortization Growth Rate	3.50%																								
Inflation	2.60%																								
Administrative Expenses	Prior year administrative expenses increased by 3% and rounded to the nearest \$100.																								
Form of Annuity	Life Annuity with Modified Cash Refund.																								
Mortality	Pub-2016 (prior: Pub-2010) Mortality Table with Public Safety variant for Police and General variant for other groups, with generational projection of future improvements per the MP-2021 Ultimate Scale. This assumption includes a margin for improvement in longevity beyond the valuation date.																								
Marital Status	75% of participants are assumed to be married with husbands assumed to be 3 years older than their wives.																								
Turnover	<table><thead><tr><th>Age</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>20</td><td>6.00%</td><td>15.00%</td></tr><tr><td>25</td><td>4.80%</td><td>15.00%</td></tr><tr><td>30</td><td>3.60%</td><td>10.00%</td></tr><tr><td>35</td><td>2.75%</td><td>7.50%</td></tr><tr><td>40</td><td>2.05%</td><td>5.00%</td></tr><tr><td>45</td><td>1.40%</td><td>2.50%</td></tr><tr><td>50</td><td>0.75%</td><td>0.00%</td></tr></tbody></table>	Age	Male	Female	20	6.00%	15.00%	25	4.80%	15.00%	30	3.60%	10.00%	35	2.75%	7.50%	40	2.05%	5.00%	45	1.40%	2.50%	50	0.75%	0.00%
Age	Male	Female																							
20	6.00%	15.00%																							
25	4.80%	15.00%																							
30	3.60%	10.00%																							
35	2.75%	7.50%																							
40	2.05%	5.00%																							
45	1.40%	2.50%																							
50	0.75%	0.00%																							

Appendix B - Actuarial Assumptions

Retirement	Town	Age	Rate
		55-59	2%
		60-61	10%
		62	50%
		63-64	30%
		65-69	40%
		70	100%

Police 75% of members are assumed to retire at age 55 with 20 years of Credited Service.

At all other ages:

Age	Rate
56-64	20%
65	100%

Board of Education	Age	Rate
	55-59	5%
	60-61	15%
	62	50%
	63-64	30%
	65-69	40%
	70	100%

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility Non-bargaining unit members hired prior to age 25 may elect to participate on date of hire. Participation is mandatory at age 25.

Bargaining unit members may elect to participate after 1 year of Continuous Service. Participation is retroactive to date of hire. The Town will pay the Member Contributions for the first year of service.

Town employees hired after the following dates are not eligible to participate in the plan:

UPSEU Union	06/30/2016
GMEA Union	10/18/2000
Non-Union	09/01/2002

Final Average Earnings **Certified Police Officers:** Average of the 5 calendar years with the highest gross earnings. Gross earnings include overtime, educational incentive pay and longevity pay.

Others: Average of the 5 consecutive calendar years with the highest gross earnings. Gross earnings include overtime and any other form of additional compensation.

Continuous Service Continuous employment with the Town.

Credited Service All service counted in years and completed months from date of participation. Participation is retroactive to date of hire.

Member Contributions **Certified Police Officers:** Effective July 1, 2000, 6% of earnings.

Others: Effective July 1, 2004, 5% of earnings.

Member contributions stop at Normal Retirement Date.

Interest is credited from January 1 following the date of the contribution to the date of the distribution as follows:

06/01/1966 to 12/31/1969	3.5%
01/01/1970 to 06/30/1986	4.5%
07/01/1986 and after	5.5%

Normal Form of Benefit Life Annuity with Modified Cash Refund. Optional forms of benefit are available on an actuarially equivalent basis.

Appendix C - Summary of Plan Provisions

Normal Retirement Date	Certified Police Officers: The earlier of age 65 or age 55 with 20 years of Continuous Service. Others: The earlier of age 65 or the date the member's age plus Continuous Service total 80 (if reached while in active status).
Normal Retirement Benefit	Certified Police Officers: 2.5% of Final Average Earnings multiplied by Credited Service up to 20 years plus 1.5% of Final Average Earnings multiplied by Credited Service in excess of 20 years; capped at 65% of Final Average Earnings. Others: 2.0% of Final Average Earnings multiplied by Credited Service.
Early Retirement Date	Certified Police Officers: None. Others: Age 55 with 15 years of Continuous Service.
Early Retirement Benefit	Benefit calculated at Early Retirement Date and reduced actuarially for commencement prior to Normal Retirement Date.
Late Retirement Date	Any date beyond Normal Retirement Date.
Late Retirement Benefit	Benefit calculated at Late Retirement Date.
Vesting	100% vested after 5 years of Continuous Service.
Termination Benefit	If member is not vested, a refund of member contributions with interest. If member is vested, payment of a Normal Retirement Benefit. A vested member may elect a refund of member contributions with interest and forfeit any further benefit.
Disability Retirement Date	Available at total and permanent disability after age 50 with 15 years of Continuous Service.
Disability Retirement Benefit	Benefit is the same as for Early Retirement.

Appendix C - Summary of Plan Provisions

Pre-Retirement Surviving Spouse Benefit	If the member has at least 5 years of Continuous Service and is married at time of death, the surviving spouse will receive 50% of the benefit that would have payable had the member terminated immediately before death, elected to retire at the member's earliest retirement eligibility date or date of death if later, and elected a 50% joint and survivor annuity. The surviving spouse's benefit is payable on the date that would have been the member's earliest retirement date.
Pre-Retirement Death Benefit	Return of member contributions with interest, in lieu of any Pre-Retirement Surviving Spouse Benefit if applicable.
Post-Retirement Death Benefit	Return of member contributions with interest, less any retirement benefits paid.

Appendix D - Risk Disclosure - Introduction

The results of this actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match these assumptions. As an example, the plan's investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

In addition, as plans mature they accumulate larger pools of assets and liabilities. The increase in size in turn increases the potential magnitude of adverse experience. As an example, the dollar impact of a 10% investment loss on a plan with \$1 billion in assets and liabilities is much greater than the dollar impact for a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to provide pension plan sponsors with information concerning the risks associated with the plan:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

This section of the report uses the framework of ASOP 51 to communicate important information about significant risks to the plan, the plan's maturity, and relevant historical plan data.

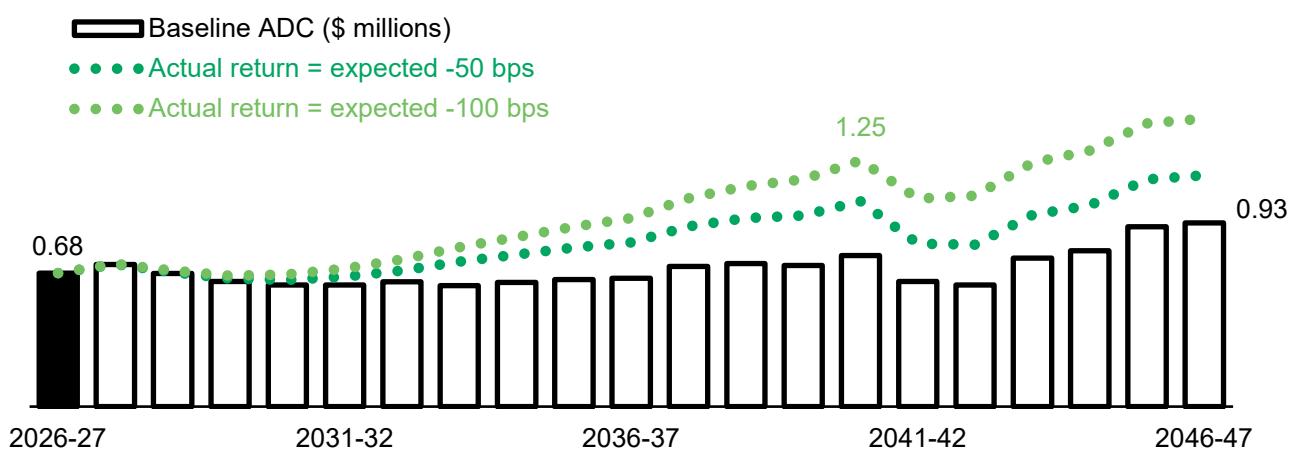
Please see Appendix A for more information on the basis for the projected results shown on the following pages.

Appendix D - Risk Disclosure - Identification and Assessment

Investment Risk

Definition: This is the potential that investment returns will be different than expected.

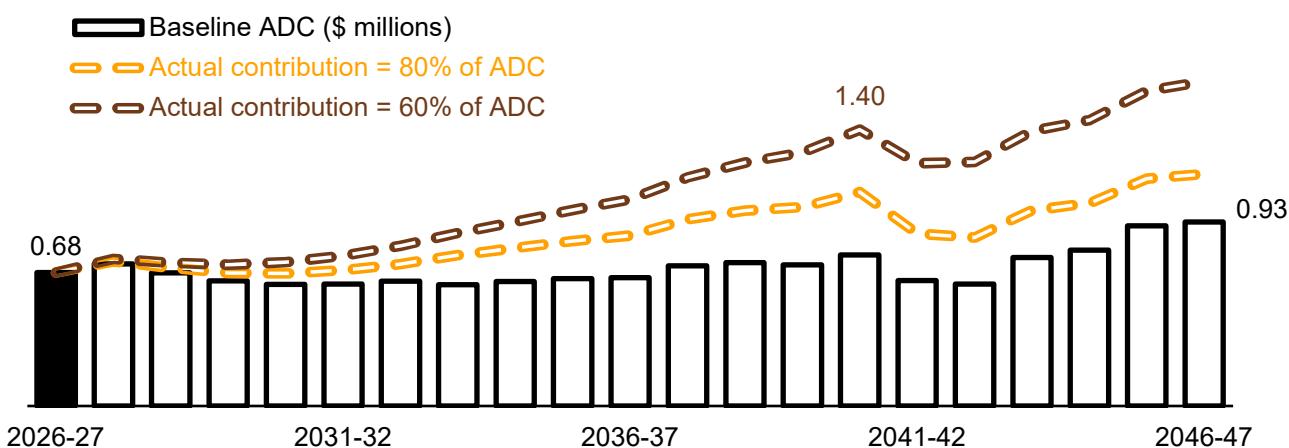
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on future Actuarially Determined Contribution levels are illustrated below:



Contribution Risk

Definition: This is the potential that actual future contributions will be less than the Actuarially Determined Contribution.

Identification: Over the past 12 years, actual contributions have been 99.5% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Appendix D - Risk Disclosure - Identification and Assessment

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the plan's benefits and operating costs. This risk is heightened for plans with negative cash flows, in which contributions are not sufficient to cover benefit payments plus expenses.

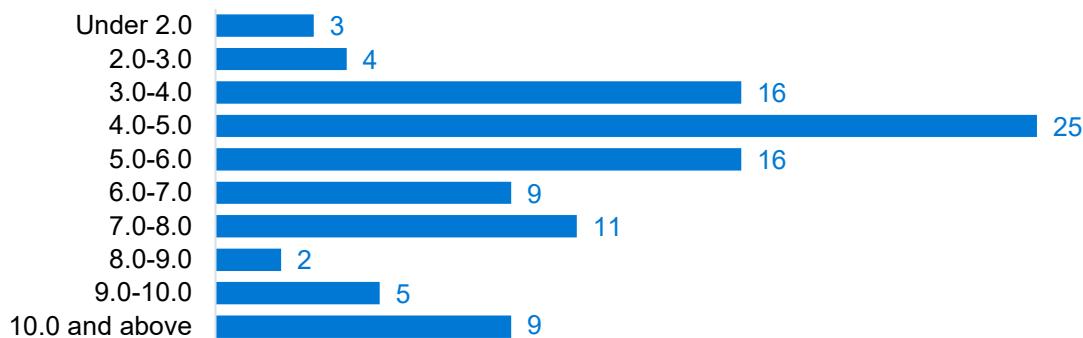
Identification: In 2024-25, the plan had negative cash flow, with town contributions and member contributions to the plan of \$839,886 compared to \$1,628,108 of benefit payments paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time, and for plan assets and/or liabilities to become larger relative to the liability for active members.

Identification: The plan is subject to maturity risk because as plan assets and liabilities continue to grow, the dollar impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: As of July 1, 2025, the plan's Asset Volatility Ratio (the ratio of the market value of plan assets to payroll) is 5.5. According to Milliman's 2024 Public Pension Funding Study, the 100 largest US public pension plans have the following range of Asset Volatility Ratios:



Inflation Risk

Definition: This is the potential for a pension to lose purchasing power over time due to inflation.

Identification: The members of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: This plan does not contain a mechanism to regularly increase benefits after retirement, so members bear all of the inflation risk.

Appendix D - Risk Disclosure - Identification and Assessment

Insolvency Risk

Definition: This is the potential that a plan will become insolvent; that is, assets will be fully depleted.

Identification: If a plan becomes insolvent, contractually required benefits must be paid from the plan sponsor's other remaining assets.

Assessment: Under the GASB 68 depletion date methodology, the plan is not projected to become insolvent. Please see the GASB 68 report for more details on the underlying analysis.

Demographic Risks

Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that members will follow patterns of demographic experience as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, Actuarially Determined Contribution, and funded status may differ significantly from those presented in this valuation. Formal Experience Studies performed on a regular basis are helpful in ensuring that the demographic assumptions reflect emerging plan experience.

Retirement Risk

Definition: This is the potential for members to retire and receive subsidized benefits that are more valuable than expected.

Identification: This plan permits members to retire at relatively young ages. If active members retire at earlier ages than are anticipated by the actuarial assumptions, this will put upward pressure on subsequent Actuarially Determined Contributions.

Pensionable Earnings Risk

Definition: This is the potential for active members to add items to their pensionable earnings and receive pension benefits that are higher than expected.

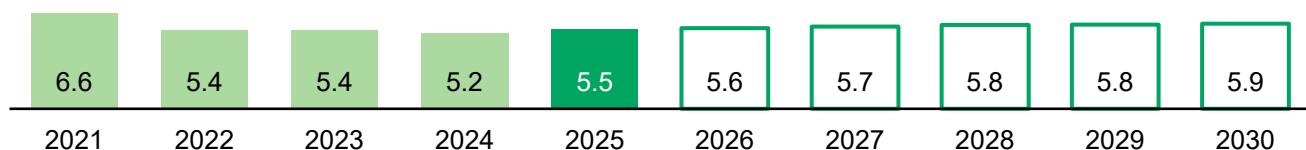
Identification: Benefits provided by this plan are calculated based on gross earnings which includes additional compensation such as overtime.

Assessment: To the extent that a member has unusually high levels of overtime or other forms of extra pay in the years just prior to retirement, this will put upward pressure on subsequent Actuarially Determined Contributions.

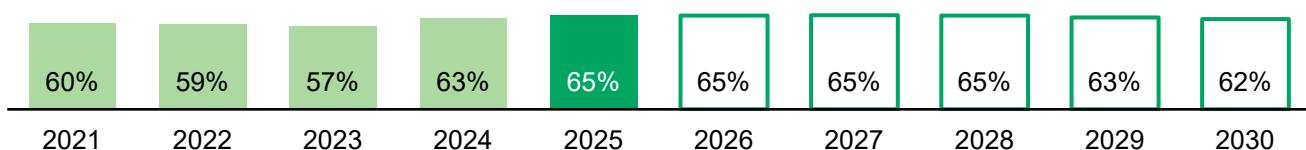
Appendix D - Risk Disclosure - Maturity Metrics

The metrics presented below are different ways of understanding the plan's maturity level, both in the past and as it is expected to change in the coming years.

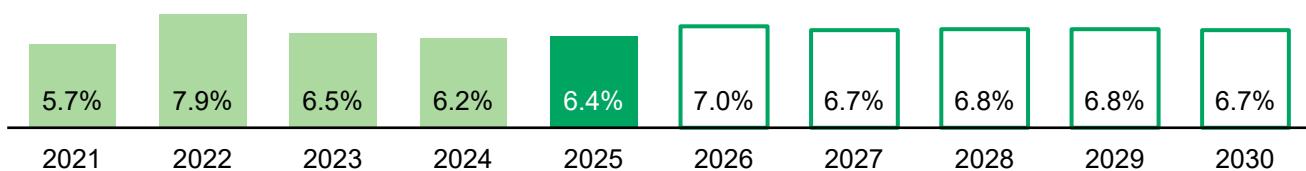
Asset Volatility Ratio: Market Value of Assets compared to Payroll



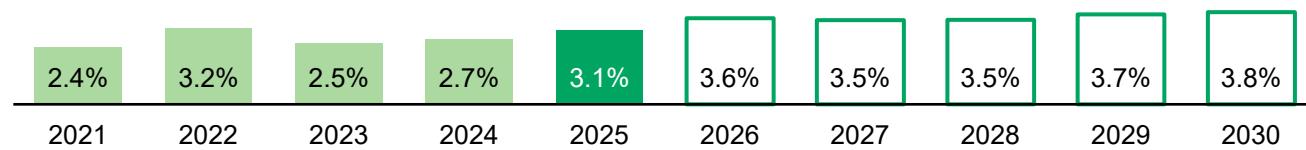
Accrued Liability for Members in Pay Status compared to total Accrued Liability



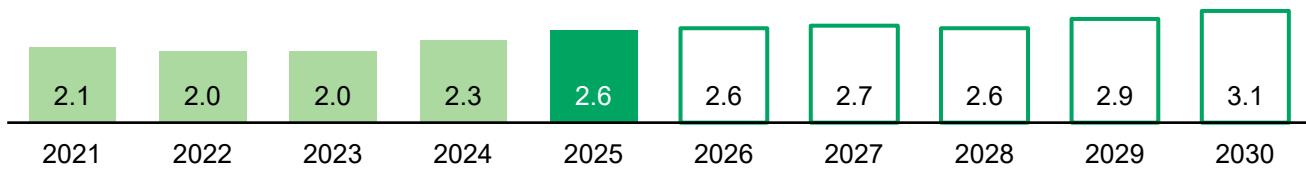
Benefit Payments compared to Market Value of Assets



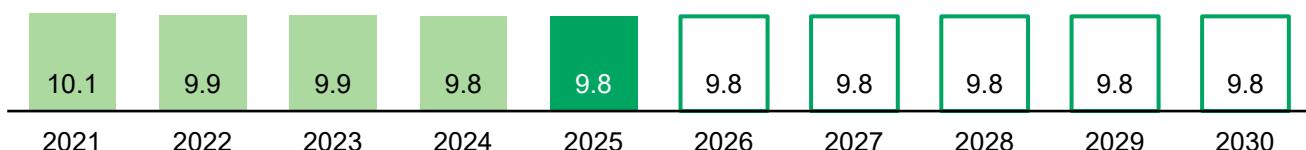
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to Town Contributions



Duration of Accrued Liability (based on GASB 68 sensitivity disclosures)



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.
Actuarial 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 68) 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 Actuarial Value of Assets.