

**Delaware County &
Municipal
Police/Firefighters
Pension Plan**

**Actuarial Valuation
as of June 30, 2008**

Produced by [Cheiron](#)

Table of Contents

Letter of Transmittal	i
Foreword.....	ii
Section I – Board Summary	1
Section II – Assets	8
Section III – Liabilities	12
Section IV – Contributions	16
Section V – Accounting Statement Information.....	18
Appendix A – Membership Information.....	23
Appendix B – Actuarial Assumptions and Methods.....	33
Appendix C – Summary of Plan Provisions	38

January 30, 2009

Board of Pension Trustees
State of Delaware
McArdle Building
860 Silver Lake Boulevard, Suite 1
Dover, Delaware 19904

Dear Members of the Board:

At your request, we have conducted the annual actuarial valuation of the Delaware County & Municipal Police/Firefighters Pension Plan as of June 30, 2008. The results of the valuation are contained in this report. The purpose of the valuation is discussed in the Foreword.

This report contains information on Plan assets, as well as analyses which combine asset and liability performance and projections. The report also discloses employer contribution levels, and required disclosures under the Governmental Accounting Standards Board Statement No. 25.

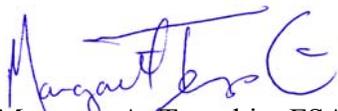
Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief. The results of this report are only applicable to the employer contributions for Fiscal Year ending 2010 and rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

We hereby certify that, to the best of our knowledge, 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 Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as Members of the American Academy of Actuaries, we meet the Qualification Standards to render the opinions contained herein.

Sincerely,
Cheiron



Fiona E. Liston, FSA
Consulting Actuary



Margaret A. Tempkin, FSA
Actuary



FOREWORD

Cheiron has performed the actuarial valuation of the Delaware County & Municipal Police/Firefighters Pension Plan as of June 30, 2008. The purpose of this report is to:

- 1) **Measure and disclose**, as of the valuation date, the financial condition of the Plan;
- 2) **Indicate trends** in the financial progress of the Plan;
- 3) **Determine the contribution rate** to be paid by the participating employers for Fiscal Year 2010; and
- 4) **Provide specific information** and documentation required by the Governmental Accounting Standards Board (GASB).

An actuarial valuation establishes and analyzes Plan assets and liabilities on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary containing our findings and disclosing important trends experienced by the Plan in recent years.

Section II contains details on various asset measures, together with pertinent performance measurements.

Section III shows similar information on Plan liabilities, measured for actuarial, accounting, and government reporting purposes.

Section IV develops the employer contribution rate determined using actuarial techniques.

Section V includes the required disclosures under GASB Statement number 25.

The appendices to this report contain a summary of the Plan's membership at the valuation date, a summary of the major provisions of the Plan, and the actuarial methods and assumptions used in the valuations.

In preparing our report, we relied without audit, on information (some oral and some written) supplied by the Office of Pension's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information.

The actuarial assumptions reflect our understanding of the likely future experience of the Plan and the assumptions as a whole represent our best estimate for the future experience of the Plan. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct, and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

**SECTION I
BOARD SUMMARY**

General Comments

The actuarially determined contribution rate decreased from 13.82% for FY 2009 to 13.70% for FY 2010. During the year ended June 30, 2008, the Plan's assets lost 1.6% on a market value basis. However, due to the Plan's asset-smoothing technique and an accumulation of past asset gains, the return on the actuarial asset value was 7.3%. This return was below the assumed rate of return of 8.0% and resulted in an actuarial loss on investments of \$612 thousand.

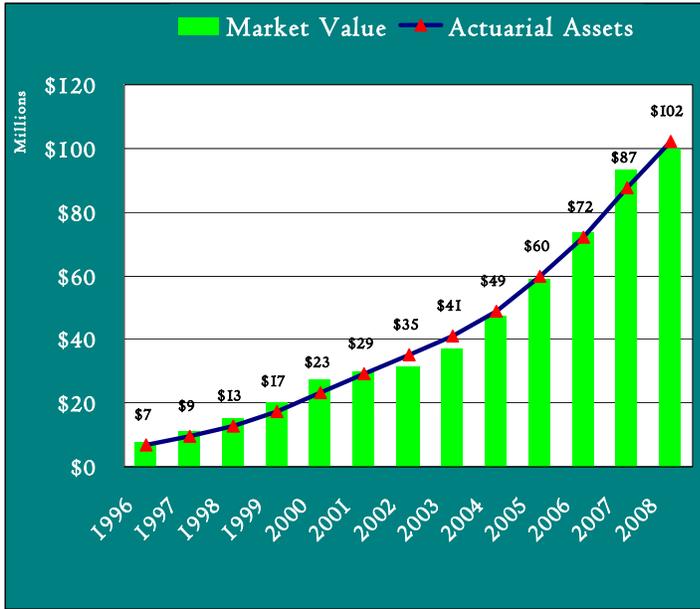
The Plan experienced an actuarial gain on Plan liabilities resulting from salary increases different than assumed and members retiring, terminating, becoming disabled and dying at rates different from the actuarial assumptions. The gain decreased the actuarial liability by about \$851 thousand. This type of activity is normal in the course of plan experience. The Plan will experience actuarial gains and losses over time because we cannot predict exactly how people will behave. When a plan experiences alternating gains and losses that are small compared to the total actuarial liability, then the plan's actuarial assumptions are reasonable.

As of the June 30, 2008 actuarial valuation, the Plan's unfunded actuarial liability was \$1.5 million. This is a decrease from last year's unfunded actuarial liability of \$1.6 million.

**SECTION I
 BOARD SUMMARY**

Trends

Growth in Assets



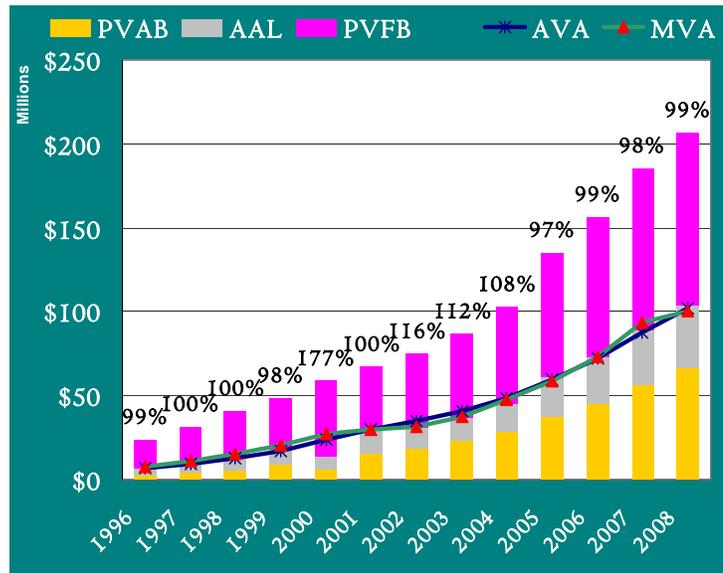
The market value of assets (MVA) decreased over the last year, returning negative 1.6%. The determination of the plan's actuarial value of assets reflects only a portion of the return below 8%.

Over the period July 1, 1997 to June 30, 2008 the Plan's assets returned approximately 9.7% per year measured at actuarial value, compared to a valuation assumption of 8% per year.

Assets and Liabilities

The three colored bars represent the three different measures of liability mentioned in this report. For funding purposes, the target amount is represented by the top of the gray bar. We compare the actuarial value of assets to this measure of liability in developing the funded percent. These are the percentages shown in the graph labels.

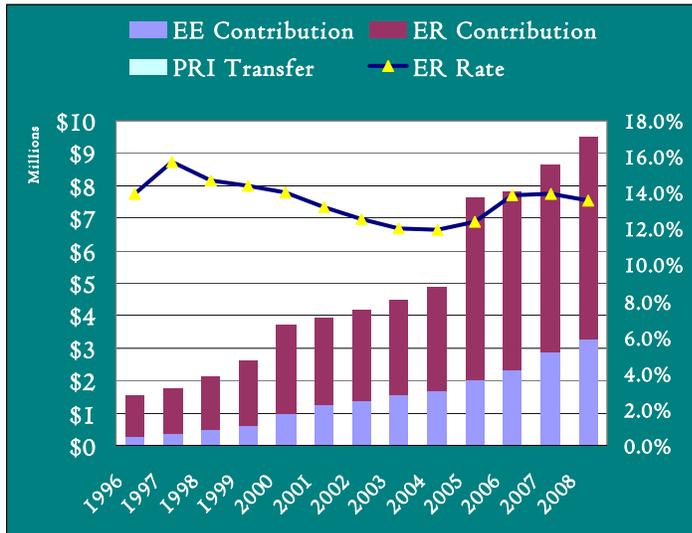
The amount represented by the top of the pink bars, the Present Value of Future Benefits (PVFB), is the amount needed to provide all benefits for the current participants and their beneficiaries. If the Plan had assets equal to the PVFB no contributions would, in theory, be needed for the current members.



**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**SECTION I
BOARD SUMMARY**

Contribution Rates



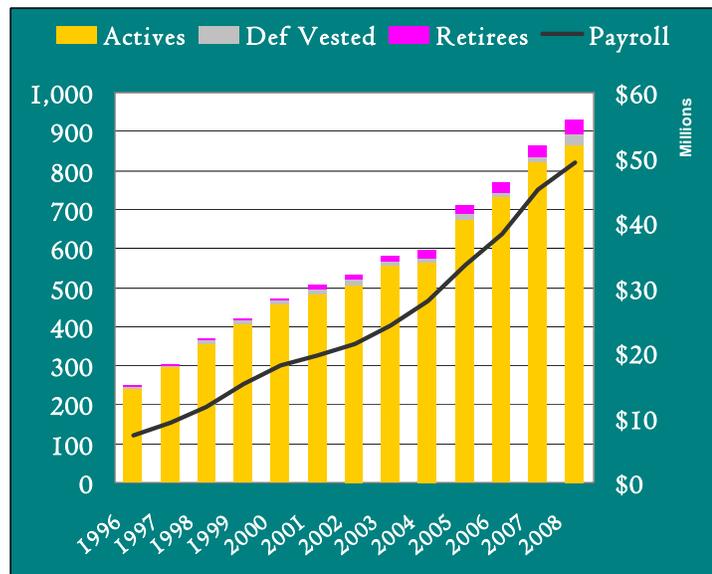
The stacked bars in this graph show the contributions made by the participating employers and the members (left hand scale). The black line shows the employer contribution rate as a percent of payroll (right hand scale).

The member contribution rate is set by State law, depending on which plan the member participates in. The employer contribution rate is set by the actuarial process. Please note there is a lag in the rate shown. For example, the 2008 value is the rate prepared by the 2006 valuation and implemented for the period July 1, 2007 to June 30, 2008.

Participant Trends

The bars show the number of participants in each category and should be read using the left-hand scale.

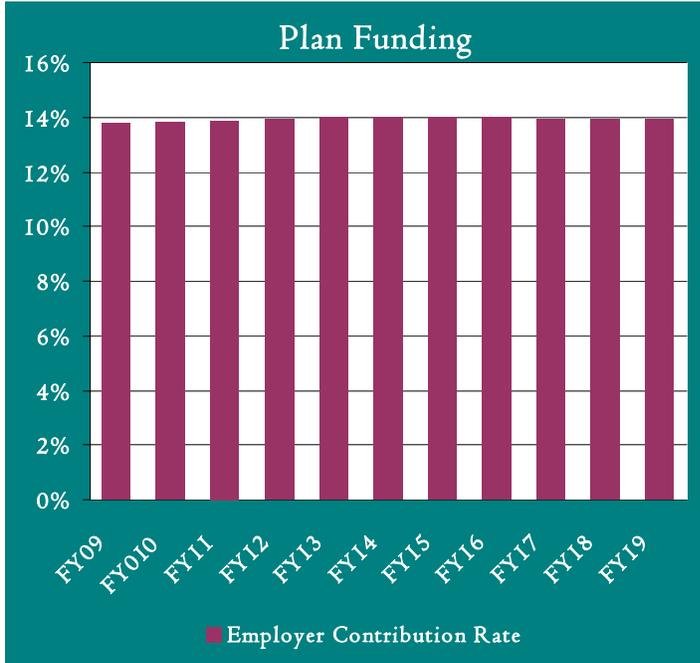
The black line shows the covered payroll in the plan and is read using the right-hand scale.



**SECTION I
 BOARD SUMMARY**

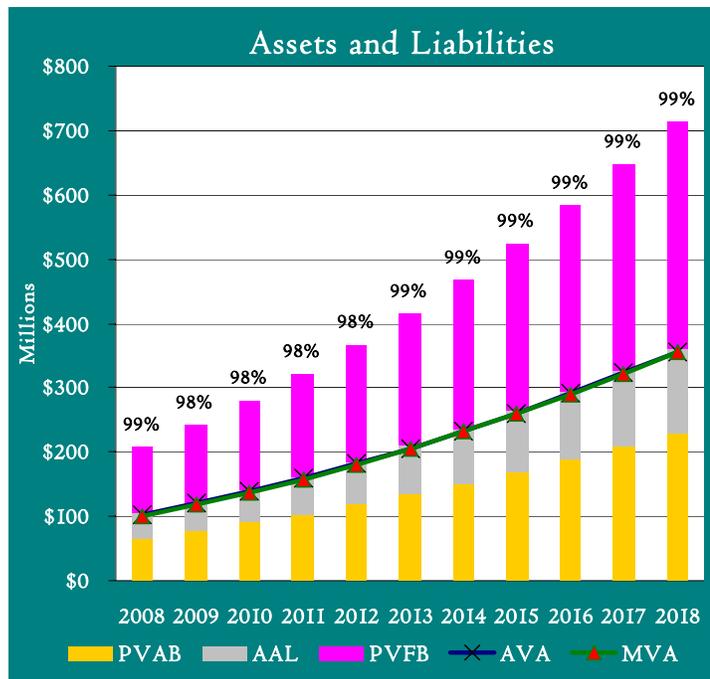
Future Outlook

Base Line Projections



These graphs show the expected progress of the Plan over the next ten years assuming the Plan's assets earn 8% on their *market value*. The chart entitled "Plan Funding" shows that the employer rate is expected to remain level at around 14% of payroll.

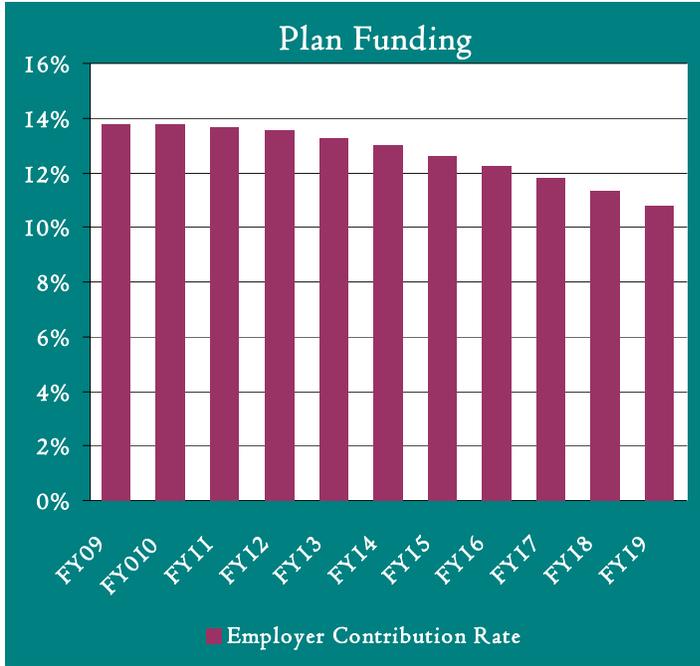
The "Assets and Liabilities" graph shows the projected funding status over the next ten years. The Plan's funded status is projected to remain near 100% for the entire decade.



**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

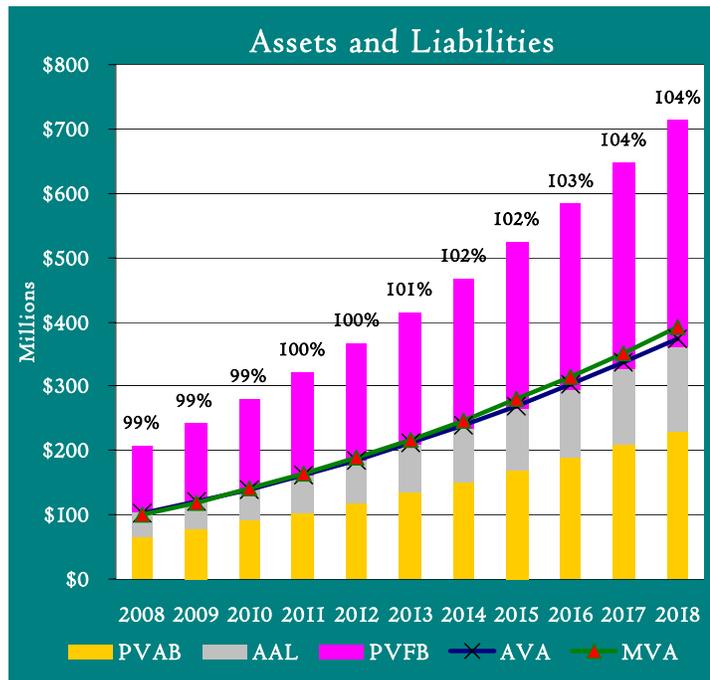
**SECTION I
BOARD SUMMARY**

Projections With Asset Returns of 9.5%



The future funding status of this Plan will be largely driven by the investment earnings. Due to the size of assets, as compared to liabilities, the Plan is in a highly leveraged position. This means that relatively minor changes in market returns can have significant effects on the Plan's status. These charts show what the next ten years would look like with a 9.5% annual return in each year. The Plan has earned an average 9.7% per year over the ten-year period ending June 30, 2008.

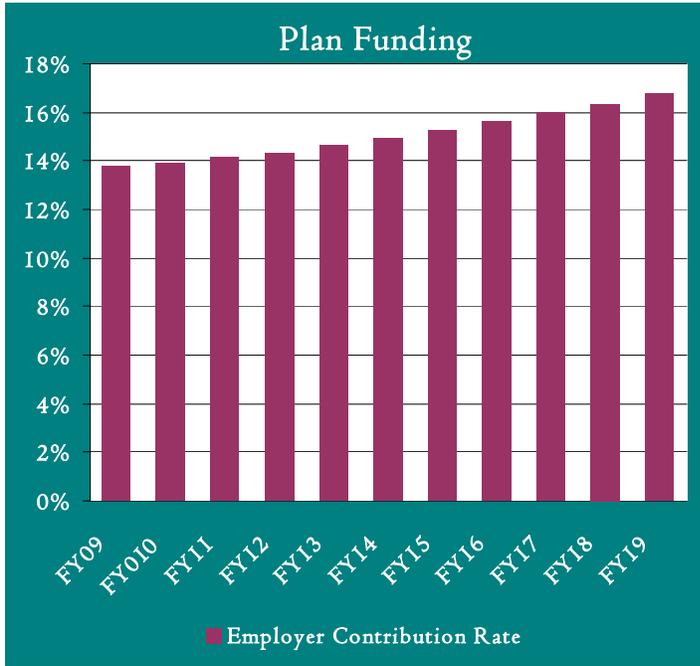
As you can see, the Plan would reach 104% funding by 2018. The contribution rate drops from its current level to around 11% of payroll.



**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

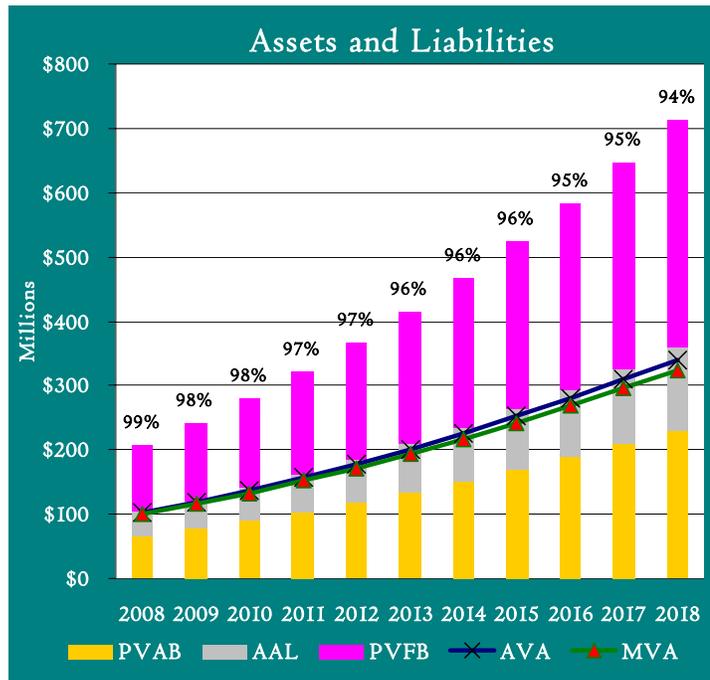
**SECTION I
BOARD SUMMARY**

Projections With Asset Returns of 6.5%



To further demonstrate how the future funding of this Plan will be driven by investment earnings, we show next the anticipated plan funding projections if the invested assets earn 6.5% per year over the entire ten-year period.

Under this scenario the employer contribution rate increases and the funding status declines.



DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION I
BOARD SUMMARY**

Delaware County & Municipal Police/Firefighters Pension Plan Summary of Principal Plan Results			
Valuation as of:	June 30, 2007	June 30, 2008	% Change
<u>Participant Counts</u>			
Active Participants	821	866	5.48%
Disabled Participants	7	9	28.57%
Retirees and Beneficiaries	25	27	8.00%
Terminated Vested Participants	12	17	41.67%
Inactive Participants	<u>1</u>	<u>12</u>	<u>1100.00%</u>
Total	866	931	7.51%
Annual Salaries of Active Members*	\$ 45,059,000	\$ 49,327,600	9.47%
Annual Retirement Allowances for Retired Members and Beneficiaries	\$ 774,400	\$ 899,300	16.13%
<u>Assets and Liabilities</u>			
Actuarial Accrued Liability (AAL)	\$ 89,022,300	\$ 103,911,100	16.72%
Actuarial Value of Assets	<u>87,394,500</u>	<u>102,422,600</u>	<u>17.20%</u>
Unfunded AAL	1,627,800	1,488,500	(8.56%)
Funded Ratio	98.2%	98.6%	
Present Value of Accrued Benefits (PVAB)	\$ 55,882,500	\$ 66,549,400	19.09%
Market Value of Assets	<u>93,256,300</u>	<u>99,973,300</u>	<u>7.20%</u>
Unfunded PVAB	(37,373,800)	(33,423,900)	(10.57%)
Accrued Benefit Funding Ratio	166.9%	150.2%	
<u>Contributions as a Percentage of Payroll</u>			
	Fiscal Year 2009	Fiscal Year 2010	
Normal Cost Contribution	13.07%	13.07%	
Unfunded Actuarial Liability Contribution	0.45%	0.33%	
Administrative Expense	<u>0.30%</u>	<u>0.30%</u>	
Total State Contribution	13.82%	13.70%	

* Assumes one year of payroll projection.

SECTION II ASSETS

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Trustees may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact upon benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets at June 30, 2007 and June 30, 2008;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- An assessment of **investment performance**; and
- A projection of the Plan's expected **cashflows** for the next ten years.

Disclosure

The market value of assets represents a "snap-shot" or "cash-out" values which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not suitable for long-range planning.

The actuarial values are market values which have been smoothed and are the actuary's best estimate of long-term asset values. They are used for evaluating the Plan's ongoing liability to meet its obligations.

Current methods employed by this Plan set the actuarial value equal to the expected value plus 20% of the difference between the expected value of assets and the actual market value. Where the expected value is equal to the prior year's actuarial value, rolled forward with actual contributions and benefit payments plus interest imputed at 8%.

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

SECTION II
ASSETS

Changes in Market Values	
Value of Assets – June 30, 2007	\$ 93,256,300
<u>Additions</u>	
Member Contributions	\$ 3,270,200
Employer Contributions	6,246,100
Investment Return	<u>(1,599,200)</u>
Total Additions	\$ 7,917,100
<u>Deductions</u>	
Benefit Payments	\$ 1,104,300
Administrative Expenses	<u>95,800</u>
Total Deductions	\$ 1,200,100
Value of Assets – June 30, 2008	\$ 99,973,300

**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**SECTION II
ASSETS**

Development of Actuarial Value of Assets		
1.	Actuarial Value of Assets at June 30, 2007	\$ 87,394,500
2.	Amount in (1) with interest to June 30, 2008	94,386,000
3.	Employer and member contributions for the Plan Year ended June 30, 2008	9,516,300
4.	Interest on contributions assuming payments made uniformly throughout the year to June 30, 2008 at 8.00% per year	380,700
5.	Disbursements from Trust except investment expenses, June 30, 2007 through June 30, 2008	1,200,100
6.	Interest on disbursements to June 30, 2008 at 8.00% per year	48,000
7.	Expected Actuarial Value of Assets at June 30, 2006 = (2) + (3) + (4) – (5) – (6)	103,034,900
8.	Actual Market Value of Assets at June 30, 2008	99,973,300
9.	Excess of (8) over (7)	(3,061,700)
10.	Actuarial Value of Assets at June 30, 2008 = (7) + 20% of (9)	\$ 102,422,600

Actuarial Value of Assets

The actuarial value of assets represents a “smoothed” value developed by the actuary to reduce, or eliminate, erratic results which could develop from short-term fluctuations in the market value of assets. For this Plan, the actuarial value has been calculated by adding 20% of the difference between market value and expected value to the expected value. The above table illustrates the calculation of actuarial value of assets for the June 30, 2008 valuation.

**SECTION II
ASSETS**

Investment Performance

The market value of assets (MVA) returned negative 1.64% during 2008, which is less than the assumed 8% return. A return of 7.33% on the actuarial value of assets (AVA) is primarily the result of the asset smoothing method being utilized for the calculation of the actuarial value of assets. Since only 20% of the gain or loss from the performance of the Plan is recognized in a given year, in periods of very good performance, the AVA can lag significantly behind the MVA. In a period of negative returns, the AVA does not decline as rapidly as the MVA.

Projection of Plan's Benefit Payments		
Year Beginning July 1,	Expected Benefit Payments	Expected Contributions*
2008	\$ 1,405,000	\$ 10,211,000
2009	1,708,000	10,594,000
2010	2,048,000	10,991,000
2011	2,301,000	11,403,000
2012	2,573,000	11,831,000
2013	3,157,000	12,274,000
2014	3,940,000	12,735,000
2015	4,933,000	13,212,000
2016	5,880,000	13,708,000
2017	7,129,000	14,222,000

Expected benefit payments are projected for the closed group valued at June 30, 2008. Projecting any farther than ten years using a closed-group would not yield reliable predictions due to the omission of new hires.

* Expected contributions include participating employer contributions and member contributions. For illustration purposes, we have assumed the employer contribution rate will remain level and that payroll will increase at the actuarially assumed rate of 3.75% per year.

SECTION III LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2007 and June 30, 2008;
- Statement of **changes** in these liabilities during the year; and

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Present Value of Benefits:** Used for analyzing the financial outlook of the Plan, this represents the amount of money needed today to fully pay off all future benefits and expenses of the Plan, assuming participants continue to accrue benefits.
- **Actuarial Accrued Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Benefits and subtracting the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. This method is referred to as the **Entry Age Normal** funding method.
- **Present Value of Accrued Liabilities:** Used for communicating the current level of liabilities, this liability represents the total amount of money needed today to fully pay off the current accrued obligations of the Plan, assuming no future accruals of benefits. These liabilities are also required for accounting purposes (FAS 35) and used to assess whether the Plan can meet its current benefit commitments.

The following table discloses each of these liabilities for the current and prior valuations. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus** or an **unfunded liability**.

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION III
LIABILITIES**

Liabilities/Net (Surplus)/Unfunded	June 30, 2007	June 30, 2008
<u>Present Value of Benefits</u>		
Active Participant Benefits	\$ 176,099,000	\$ 195,253,400
Retiree and Inactive Benefits	9,439,400	11,042,500
Present Value of Benefits (PVB)	\$ 185,538,400	\$ 206,295,900
Market Value of Assets (MVA)	93,256,300	99,973,300
Future Member Contributions	33,662,800	35,709,700
Future State Contributions & PRI Fund Transfers	58,619,300	70,612,900
Total Resources	\$ 185,538,400	\$ 206,295,900
<u>Actuarial Accrued Liability</u>		
Present Value of Benefits (PVB)	\$ 185,538,400	\$ 206,295,900
Present Value of Future Normal Costs (PVFNC)	62,853,300	66,675,100
Present Value of Future Member Contributions (PVFEEC)	33,662,800	35,709,700
Actuarial Accrued Liability (AAL=PVB-PVFNC-PVFEEC)	\$ 89,022,300	\$ 103,911,100
Actuarial Value of Assets (AVA)	87,394,500	102,422,600
Net (Surplus)/Unfunded (AAL – AVA)	\$ 1,627,800	\$ 1,488,500
<u>Present Value of Accrued Liability</u>		
Present Value of Benefits (PVB)	\$ 185,538,400	\$ 206,295,900
Present Value of Future Benefit Accruals (PVFBA)	129,655,900	139,746,500
Present Value of Accrued Liability (PVAB=PVB-PVFBA)	55,882,500	66,549,400
Market Value of Assets (MVA)	93,256,300	99,973,300
Net Unfunded (PVAB – MVA)	\$ (37,373,800)	\$ (33,423,900)

SECTION III LIABILITIES

Changes in Liabilities

Each of the Liabilities disclosed in the prior table are expected to change at each valuation. The components of that change, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- Employer contributions different than expected
- Investment earnings different than expected
- A change in the method used to measure plan assets

In each valuation, we report on those elements of change which are of particular significance, potentially affecting the long-term financial outlook of the Plan. Below we present key changes in liabilities since the last valuation.

(In Thousands)	Present Value of Benefits	Actuarial Accrued Liability	Present Value of Accrued Liability
Liabilities June 30, 2007	\$ 185,538	\$ 89,022	\$ 55,883
Liabilities June 30, 2008	206,296	103,911	66,549
Liability Increase (Decrease)	20,758	14,889	10,666
Change Due to:			
PRI Increase	0	0	0
Actuarial (Gain)/Loss	NC*	(851)	NC*
Benefits Accumulated and			
Other Sources	20,758	15,740	10,666

* NC = not calculated.

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

**SECTION III
LIABILITIES**

Actuarial Liabilities for Funding		
	June 30, 2007	June 30, 2008
1. Actuarial Liabilities		
Retiree and Inactive Benefits	\$ 9,439,400	\$ 11,042,500
Active Members	<u>79,582,900</u>	<u>92,868,600</u>
Total Actuarial Liability	\$ 89,022,300	\$ 103,911,100
2. Actuarial Value of Assets	\$ 87,394,500	\$ 102,422,600
3. Unfunded Actuarial Liability	\$ 1,627,800	\$ 1,488,500
4. Allocation of Unfunded Actuarial Liability		
Unpaid UAL from participating municipalities	\$ 0	\$ 183,300
5. Net Gain Base for 10 Year Amortization (3-4)	\$ 1,627,800	\$ 1,305,200

SECTION IV CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the funding method employed is the **Entry Age Actuarial Cost Method**. Under this method, there are three components to the total contribution: the **normal cost rate**, the **unfunded actuarial liability rate** (UAL rate), and the **administrative expense rate**. The normal cost rate is determined in the following steps. First, for a typical new entrant an individual normal cost rate is determined by taking the value, as of entry age into the plan, of that member's projected future benefits. This value is then divided by the value, also at entry age, of the member's expected future salary. Finally, the total normal cost rate is reduced by the member contribution rate to produce the employer normal cost rate.

The unfunded actuarial liability as of each valuation date is amortized over a rolling ten year period. All payments are determined assuming total pay increases by the annual inflation rate.

The assumed administrative expense rate is 0.30% of payroll. This rate, when applied to payroll, is intended to provide an allowance above the cost of funding the benefits to pay for the expense of operating the Plan.

The table below presents and compares the employer contribution rates for the Plan for this valuation and the prior one.

Employer Contribution Rate		
	June 30, 2007	June 30, 2008
Entry Age Normal Cost Rate	13.07%	13.07%
Amortization Payment	0.45%	0.33%
Expense	<u>0.30%</u>	<u>0.30%</u>
Actuarially Determined Contribution	13.82%	13.70%

**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**SECTION IV
CONTRIBUTIONS**

Development of Plan Cost as of June 30, 2008		
	In Dollars	As % of Payroll
1. Present value of projected benefits attributable to:		
a. Total Normal Cost	\$ 9,900,000	20.07%
b. Expected Members Contribution	<u>3,452,900</u>	<u>7.00%</u>
c. Employer Paid Normal Cost (a) – (b)	\$ 6,447,100	13.07%
2. Amortization of Unfunded Liability		
Unpaid UAL from participating municipalities	\$ 161,900	0.33%
3. Allowance for Expense	\$ 148,000	0.30%
4. Total Employer Contribution Rate (1) + (2) + (3)	\$ 6,757,000	13.70%

SECTION V
ACCOUNTING STATEMENT INFORMATION

Statement No. 35 of the Financial Accounting Standards Board requires the Plan to disclose certain information regarding its funded status. Statement No. 25 of the Governmental Accounting Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB-35 disclosures provide a quasi “snap shot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, these values may not be a good indication of the amount of money it would take to buy the benefits for all members if the Plan were to terminate.

The GASB-25 actuarial accrued liability is the same as the actuarial liability amount calculated for funding purposes.

Both the present value of accrued benefits (FASB-35) and the actuarial accrued liability (GASB-25) are determined assuming that the Plan is on-going and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 8% per annum.

FASB Statement No. 35 specifies that a comparison of the present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date must be provided. GASB Statement No. 25 requires the actuarial accrued liability be compared with the actuarial value of assets for funding purposes. The relevant amounts as of June 30, 2006 are exhibited in Table V-1. Finally, Table V-2 reconciles the FASB-35 liabilities determined as of the prior valuation, July 1, 2007, to the liabilities as of June 30, 2008.

Tables V-3 through V-5 are exhibits to be used with the State CAFR report. Table V-3 is the Note to Required Supplementary Information, Table V-4 is a history of gains and losses in Accrued Liability, and Table V-5 is the Solvency Test which shows the portion of Accrued Liability covered by Assets.

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-1		
Accounting Statement Information		
	June 30, 2007	June 30, 2008
A. FASB No. 35 Basis		
1. Present Value of Benefits Accrued and Vested to Date		
a. Members Currently Receiving Payments	\$ 9,071,500	\$ 10,379,700
b. Former Vested Members	367,900	662,800
c. Active Members	<u>46,443,100</u>	<u>55,506,900</u>
2. Total Present Value of Accrued Benefits (1 (a) + 1(b) + 1(c))	\$ 55,882,500	\$ 66,549,400
3. Assets at Market Value	<u>93,256,300</u>	<u>99,973,300</u>
4. Unfunded Present Value of Accrued Benefits (2 – 3)	\$ (37,373,800)	\$ (33,423,900)
5. Ratio of Assets to Present Value of Benefits (3 / 2)	166.9%	150.2%
B. GASB No. 25 Basis		
1. Actuarial Accrued Liabilities for retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 9,439,400	\$ 11,042,500
2. Actuarial Accrued Liabilities for current employees	<u>79,582,900</u>	<u>92,868,600</u>
3. Total Actuarial Accrued Liability (1 + 2)	\$ 89,022,300	\$ 103,911,100
4. Net Actuarial Assets available for benefits	<u>87,394,500</u>	<u>102,422,600</u>
5. Unfunded Actuarial Accrued Liability (3 – 4)	\$ 1,627,800	\$ 1,488,500

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
 ACTUARIAL VALUATION AS OF JUNE 30, 2008

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-2	
Statement of Changes in Total Actuarial Present Value of All Accrued Benefits	
	Accumulated Benefit Obligation (FASB 35)
Actuarial Present Value of Accrued Benefits at June 30, 2007	\$ 55,882,500
Increase (Decrease) During Years Attributable to:	
Passage of Time	4,426,400
Benefit Paid – FY 2008	(1,104,300)
Post-Retirement Income	0
Benefits Accrued, Other Gains/Losses	<u>7,344,800</u>
Net Increase (Decrease)	10,666,900
Actuarial Present Value of Accrued Benefits at June 30, 2008	\$ 66,549,400

**SECTION V
 ACCOUNTING STATEMENT INFORMATION**

**Table V-3
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	July 1, 2008
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	Ten years
Asset valuation method	5-Year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	4.3%-15.3%
*Includes inflation at	3.75%
Cost-of-living adjustments	ad hoc

The actuarial assumptions used have been recommended by the actuary and adopted by the Plan's Board of Trustees based on the most recent review of the Plan's experience, completed in 2004.

The rate of employer contributions to the Plan is composed of the normal cost, amortization of the unfunded actuarial accrued liability and an allowance for administrative expenses. The normal cost is a level percent of payroll cost which, along with member contributions, will pay for projected benefits at retirement for the average plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability. The allowance for administrative expenses is based upon the Plan's actual administrative expenses.

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-4
ANALYSIS OF FINANCIAL EXPERIENCE

Gain and Loss in Accrued Liability During Years Ended June 30
Resulting from Differences Between Assumed Experience and Actual Experience
Gain (or Loss) for Year ending June 30,
(expressed in thousands)

Type of Activity	2006	2007	2008
Investment Income on Actuarial Assets	\$ 323	\$ 1,465	\$ (612)
Combined Liability Experience	<u>23</u>	<u>(2,646)</u>	<u>851</u>
(Loss)/Gain During Year from Financial Experience	\$ 346	\$ (1,181)	\$ 239
Non-Recurring Items	<u>(125)</u>	<u>0</u>	<u>0</u>
Composite Gain (or Loss) During Year	\$ 221	\$ (1,181)	\$ 239

Table V-5
SOLVENCY TEST
Aggregate Accrued Liabilities for
(expressed in thousands)

Valuation Date June 30,	Active Member Contributions (1)	Retirants & Beneficiaries (2)	Active Member Employer Financed Contributions (3)	Actuarial Value of Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets		
					(1)	(2)	(3)
2008	\$ 20,669	\$ 10,380	\$ 72,862	\$ 102,423	100%	100%	98%
2007	17,135	9,072	62,815	87,395	100%	100%	97%
2006	13,965	6,992	51,875	72,120	100%	100%	99%
2005	11,441	6,519	43,375	59,711	100%	100%	96%
2004	9,334	5,656	30,214	48,893	100%	100%	112%
2003	7,682	2,928	26,088	41,228	100%	100%	117%
2002	6,114	1,838	22,392	35,053	100%	100%	121%

**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Active Members by Age and Service as of June 30, 2008**

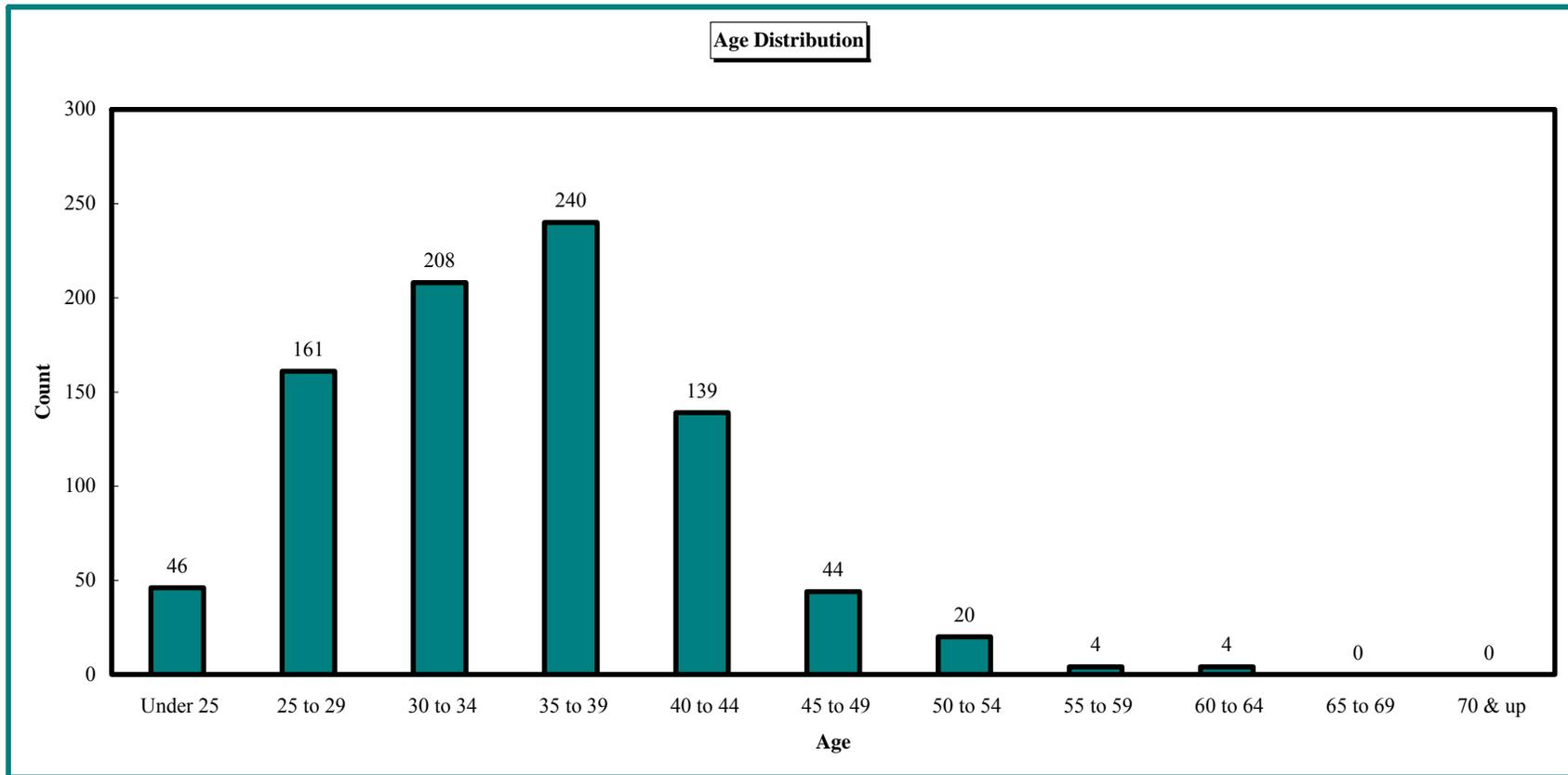
COUNTS BY AGE/SERVICE

Age	Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	22	24	0	0	0	0	0	0	0	0	46
25 to 29	22	116	23	0	0	0	0	0	0	0	161
30 to 34	12	73	94	29	0	0	0	0	0	0	208
35 to 39	6	45	65	121	3	0	0	0	0	0	240
40 to 44	8	14	29	65	21	2	0	0	0	0	139
45 to 49	2	3	5	19	8	5	2	0	0	0	44
50 to 54	5	4	3	4	1	2	1	0	0	0	20
55 to 59	0	2	1	1	0	0	0	0	0	0	4
60 to 64	0	2	2	0	0	0	0	0	0	0	4
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	77	283	222	239	33	9	3	0	0	0	866

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

APPENDIX A
MEMBERSHIP INFORMATION

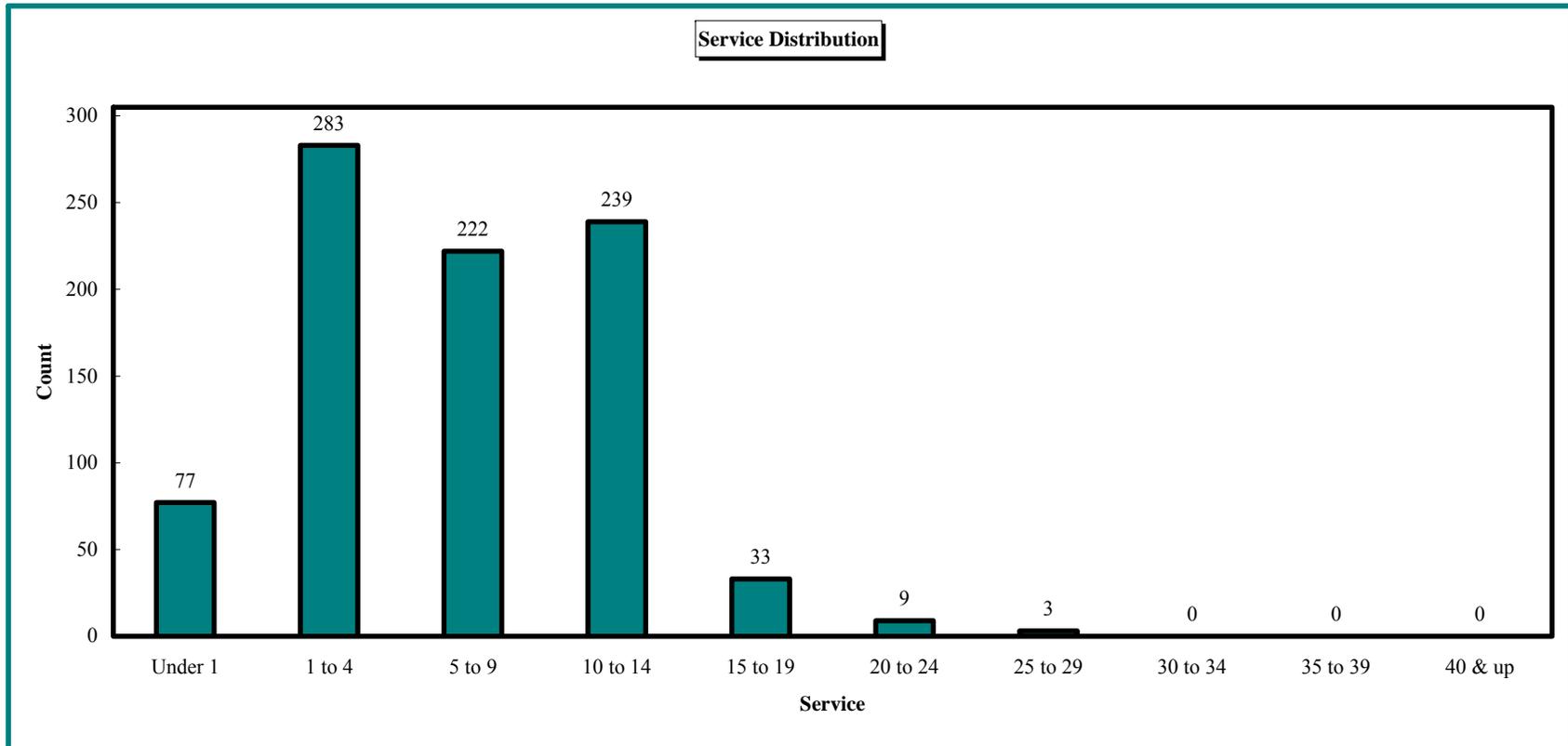
**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Active Members by Age as of June 30, 2008**



DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

APPENDIX A
MEMBERSHIP INFORMATION

Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Active Members by Service as of June 30, 2008



**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Active Members by Age and Service as of June 30, 2008**

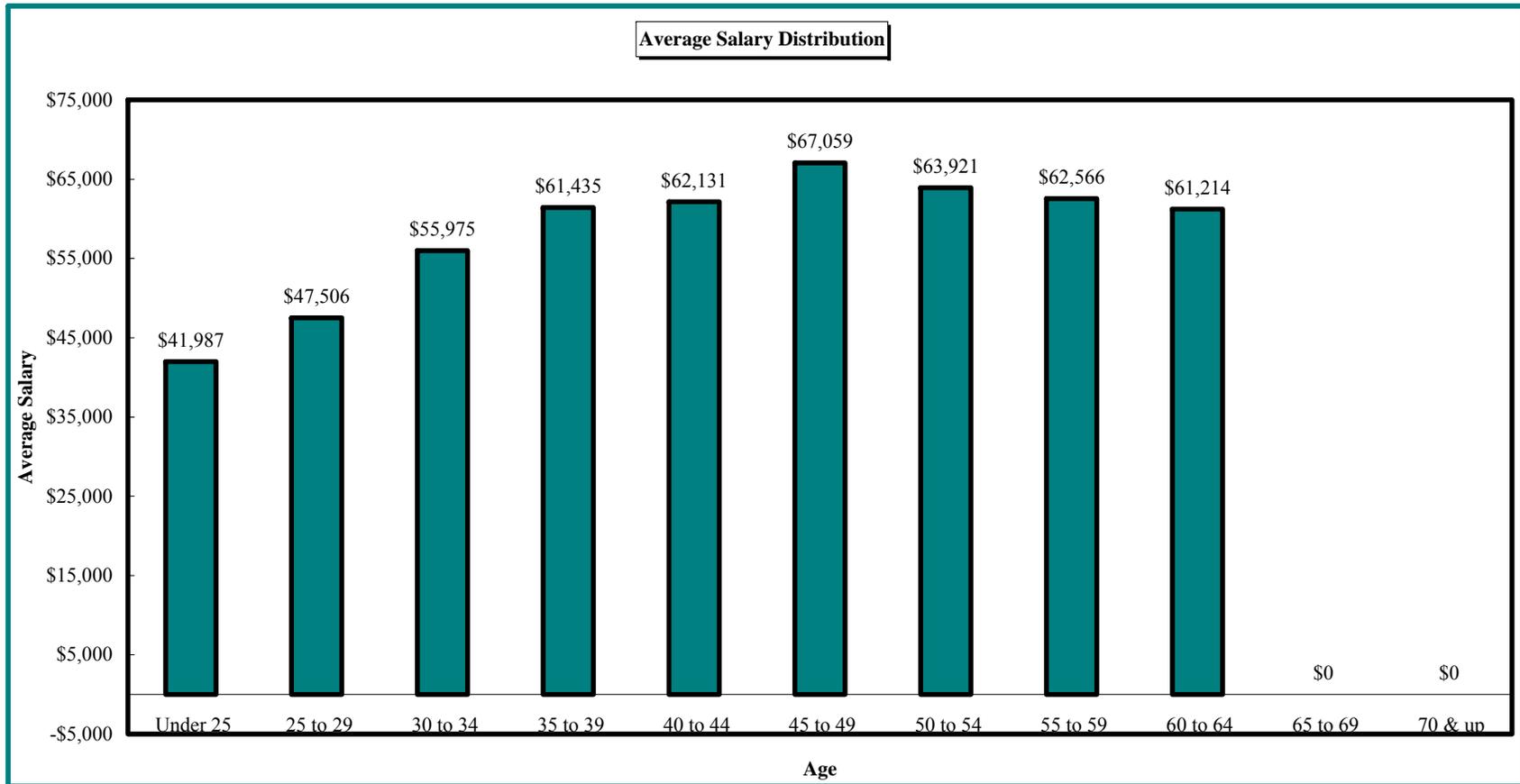
AVERAGE SALARY BY AGE/SERVICE

Age	Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	\$39,338	\$44,416	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,987
25 to 29	\$36,661	\$47,728	\$56,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,506
30 to 34	\$40,592	\$50,034	\$60,029	\$64,157	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,975
35 to 39	\$42,410	\$50,079	\$60,341	\$67,298	\$57,042	\$0	\$0	\$0	\$0	\$0	\$0	\$61,435
40 to 44	\$47,037	\$49,992	\$58,291	\$65,769	\$68,128	\$81,968	\$0	\$0	\$0	\$0	\$0	\$62,131
45 to 49	\$50,000	\$87,709	\$48,660	\$65,821	\$64,944	\$80,269	\$86,342	\$0	\$0	\$0	\$0	\$67,059
50 to 54	\$57,837	\$60,822	\$59,892	\$72,443	\$64,599	\$77,917	\$56,064	\$0	\$0	\$0	\$0	\$63,921
55 to 59	\$0	\$60,950	\$63,449	\$64,915	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,566
60 to 64	\$0	\$63,495	\$58,933	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$61,214
65 to 69	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70 & up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$41,286	\$49,342	\$59,302	\$66,460	\$66,241	\$80,124	\$76,249	\$0	\$0	\$0	\$0	\$56,960

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

APPENDIX A
MEMBERSHIP INFORMATION

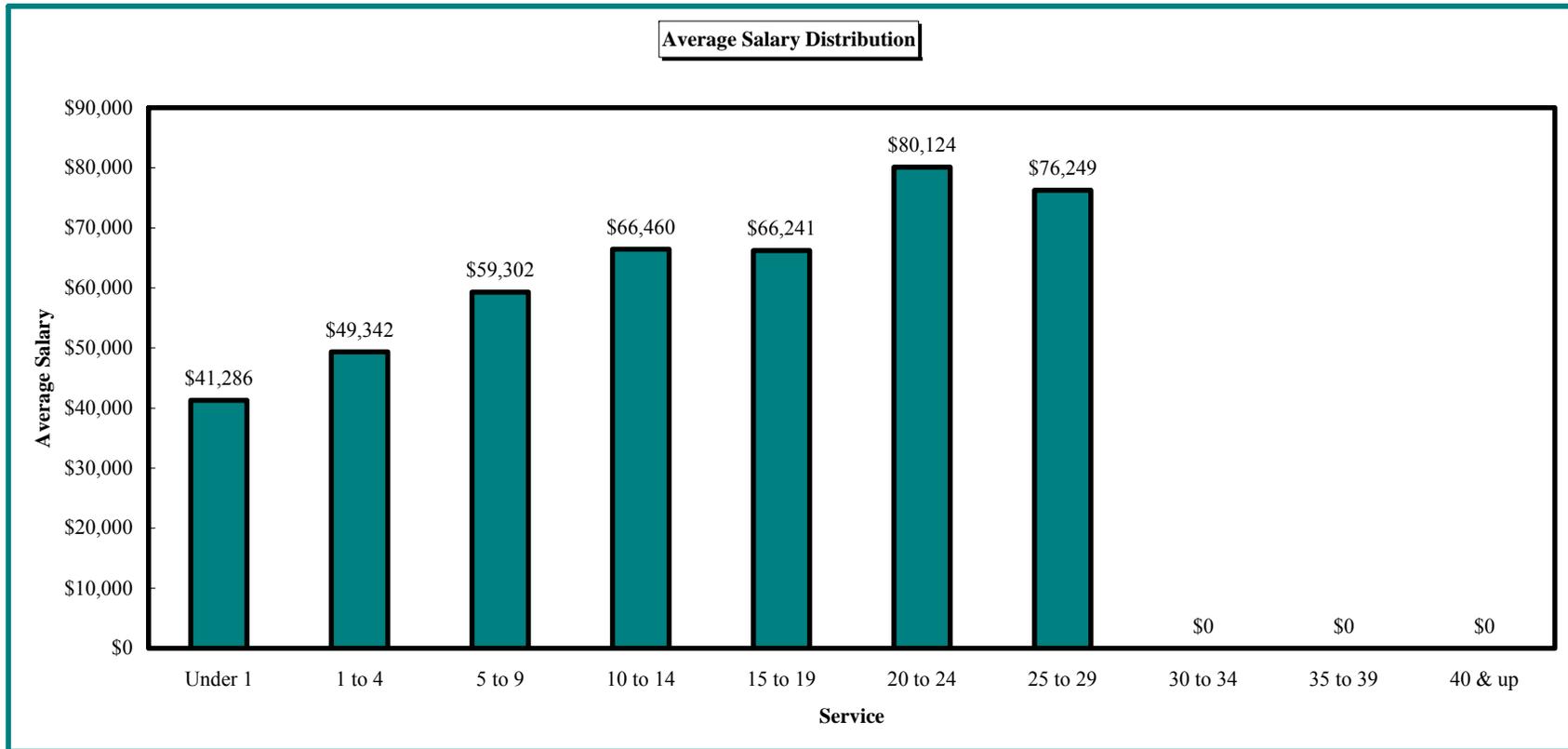
**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Active Members by Age as of June 30, 2008**



DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

APPENDIX A
MEMBERSHIP INFORMATION

**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Active Members by Service as of June 30, 2008**



**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**APPENDIX A
MEMBERSHIP INFORMATION**

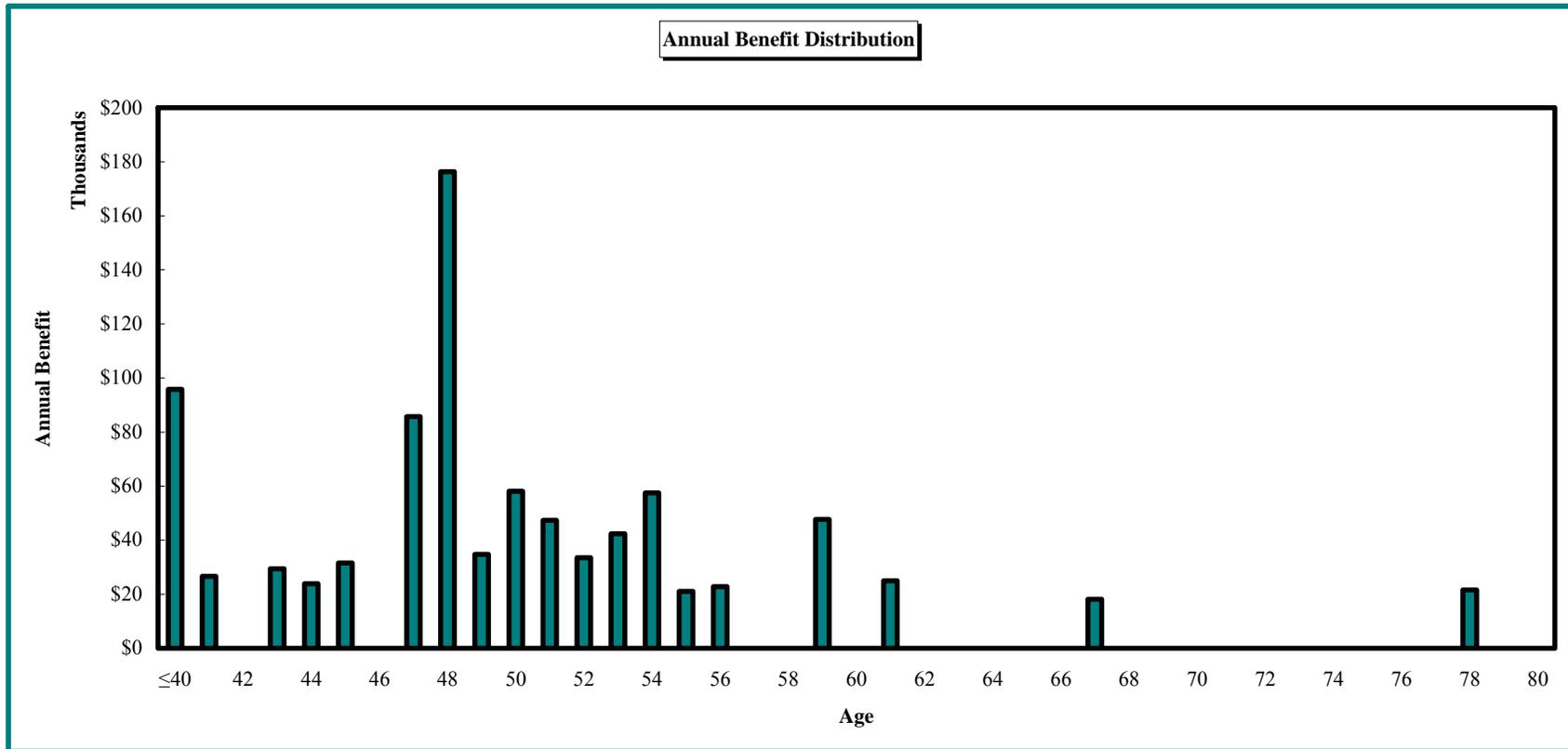
**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of Retired
Members, Survivors, and Disabled Members as of June 30, 2008**

Age	Count	Annual Benefit	Age	Count	Annual Benefit
<25	1	\$14,216	73	0	\$0
25	0	\$0	74	0	\$0
26	0	\$0	75	0	\$0
27	0	\$0	76	0	\$0
28	0	\$0	77	0	\$0
29	0	\$0	78	1	\$21,600
30	0	\$0	79	0	\$0
31	0	\$0	80	0	\$0
32	0	\$0	81	0	\$0
33	0	\$0	82	0	\$0
34	0	\$0	83	0	\$0
35	1	\$16,258	84	0	\$0
36	0	\$0	85	0	\$0
37	1	\$20,628	86	0	\$0
38	0	\$0	87	0	\$0
39	0	\$0	88	0	\$0
40	2	\$44,702	89	0	\$0
41	1	\$26,674	90	0	\$0
42	0	\$0	91	0	\$0
43	1	\$29,420	92	0	\$0
44	1	\$23,887	93	0	\$0
45	2	\$31,522	94	0	\$0
46	0	\$0	95	0	\$0
47	3	\$85,733	96	0	\$0
48	6	\$176,306	97	0	\$0
49	1	\$34,727	98	0	\$0
50	2	\$58,090	99	0	\$0
51	2	\$47,357	100	0	\$0
52	1	\$33,568	101	0	\$0
53	1	\$42,378	102	0	\$0
54	2	\$57,514	103	0	\$0
55	1	\$21,044	104	0	\$0
56	1	\$22,834	105	0	\$0
57	0	\$0	106	0	\$0
58	0	\$0	107	0	\$0
59	2	\$47,673	108	0	\$0
60	0	\$0	109	0	\$0
61	1	\$24,967	110	0	\$0
62	0	\$0	111	0	\$0
63	0	\$0	112	0	\$0
64	0	\$0	113	0	\$0
65	0	\$0	114	0	\$0
66	0	\$0	115	0	\$0
67	2	\$18,161	116	0	\$0
68	0	\$0	117	0	\$0
69	0	\$0	118	0	\$0
70	0	\$0	119	0	\$0
71	0	\$0	120	0	\$0
72	0	\$0			
			Totals	36	\$899,260

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

APPENDIX A
MEMBERSHIP INFORMATION

Delaware County and Municipal Police/Firefighters Pension Plan Distribution of Retired Members, Survivors, and Disabled Members as of June 30, 2008



**DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008**

**APPENDIX A
MEMBERSHIP INFORMATION**

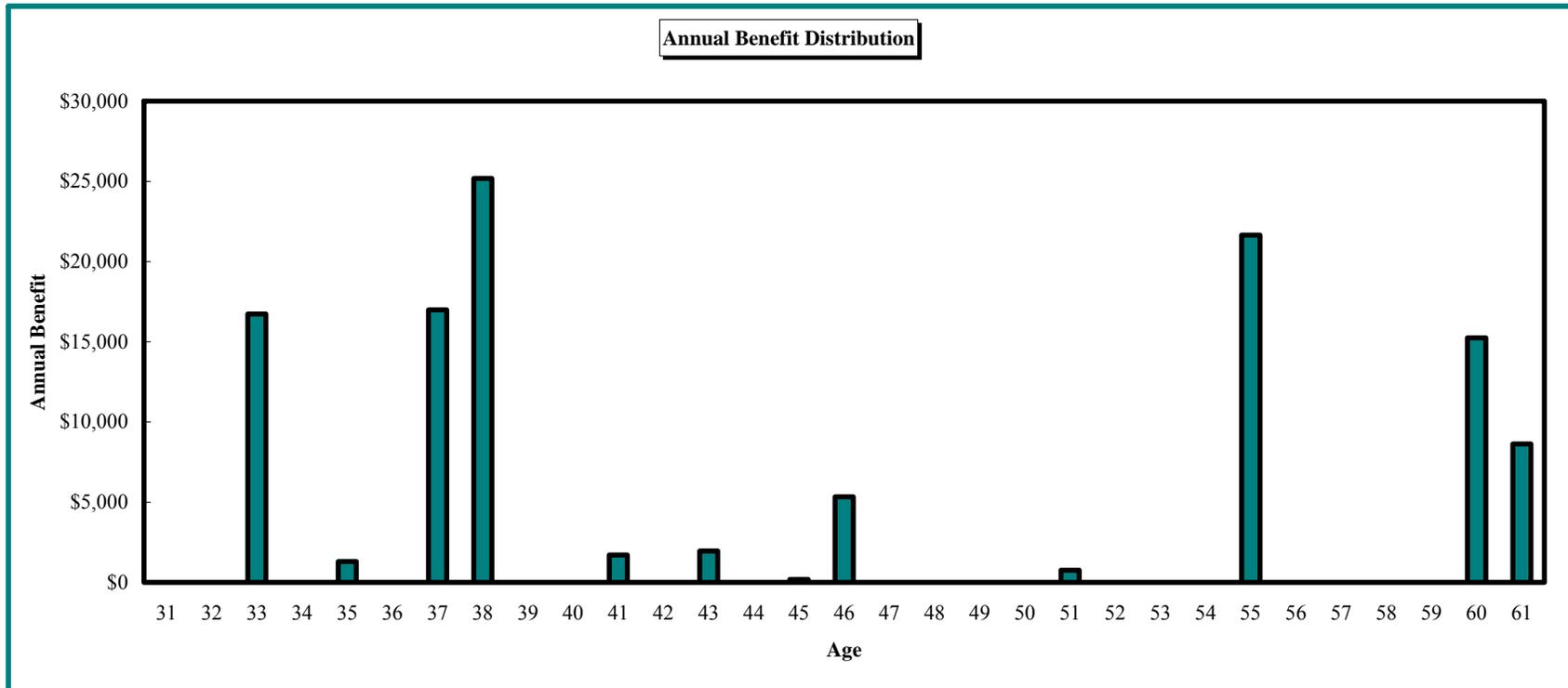
**Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Vested Members as of June 30, 2008**

Age	Count	Annual Benefit	Age	Count	Annual Benefit
<25	0	\$0	73	0	\$0
25	0	\$0	74	0	\$0
26	0	\$0	75	0	\$0
27	0	\$0	76	0	\$0
28	0	\$0	77	0	\$0
29	0	\$0	78	0	\$0
30	0	\$0	79	0	\$0
31	0	\$0	80	0	\$0
32	0	\$0	81	0	\$0
33	1	\$16,728	82	0	\$0
34	0	\$0	83	0	\$0
35	1	\$1,298	84	0	\$0
36	0	\$0	85	0	\$0
37	3	\$16,987	86	0	\$0
38	3	\$25,192	87	0	\$0
39	0	\$0	88	0	\$0
40	0	\$0	89	0	\$0
41	1	\$1,698	90	0	\$0
42	0	\$0	91	0	\$0
43	1	\$1,951	92	0	\$0
44	0	\$0	93	0	\$0
45	1	\$187	94	0	\$0
46	1	\$5,331	95	0	\$0
47	0	\$0	96	0	\$0
48	0	\$0	97	0	\$0
49	0	\$0	98	0	\$0
50	0	\$0	99	0	\$0
51	1	\$756	100	0	\$0
52	0	\$0	101	0	\$0
53	0	\$0	102	0	\$0
54	0	\$0	103	0	\$0
55	2	\$21,647	104	0	\$0
56	0	\$0	105	0	\$0
57	0	\$0	106	0	\$0
58	0	\$0	107	0	\$0
59	0	\$0	108	0	\$0
60	1	\$15,243	109	0	\$0
61	1	\$8,633	110	0	\$0
62	0	\$0	111	0	\$0
63	0	\$0	112	0	\$0
64	0	\$0	113	0	\$0
65	0	\$0	114	0	\$0
66	0	\$0	115	0	\$0
67	0	\$0	116	0	\$0
68	0	\$0	117	0	\$0
69	0	\$0	118	0	\$0
70	0	\$0	119	0	\$0
71	0	\$0	120	0	\$0
72	0	\$0			
			Totals	17	\$115,649

DELAWARE COUNTY & MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
ACTUARIAL VALUATION AS OF JUNE 30, 2008

APPENDIX A
MEMBERSHIP INFORMATION

Delaware County and Municipal Police/Firefighters Pension Plan Distribution of
Vested Members as of June 30, 2008



**APPENDIX B
 ACTUARIAL ASSUMPTIONS AND METHODS**

A. Long-Term Assumptions Used to Determine Plan Costs and Liabilities

1. Demographic Assumptions

a. Healthy Inactive Mortality

With Mortality Improvements (Projection Scale)

Male: 97% of 1994 Group Annuity Mortality Table

Female: 87% of RP-2000 FW Mortality Table

Rates of Healthy Inactive Mortality				
Age	Rates (Prior to Projection)		Projection Scale	
	Male	Female	Male	Female
40	0.10%	0.09%	0.80%	1.50%
45	0.15	0.14	1.30	1.60
50	0.25	0.21	1.80	1.70
55	0.43	0.30	1.90	0.80
60	0.77	0.49	1.60	0.50
65	1.41	0.79	1.40	0.50
70	2.30	1.32	1.50	0.50
75	3.61	2.24	1.40	0.80
80	6.02	3.75	1.00	0.70

b. Healthy Active Mortality

With Mortality Improvements (Projection Scale)

Male: 90% of RP-2000 RE Mortality Table

Female: 80% of RP-2000 RE Mortality Table

Rates of Healthy Active Mortality		
Age	Male	Female
20	0.03%	0.02%
25	0.03	0.02
30	0.04	0.02
35	0.07	0.04
40	0.10	0.06
45	0.14	0.09
50	0.19	0.13
55	0.27	0.20
60	0.44	0.31

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

c. Disabled Inactive Mortality

Male: 27% of 1977 Railroad Retirement Board Disabled Mortality
Female: 92% of 1981 PBGC Disabled Mortality with Social Security

Rates of Disabled Inactive Mortality		
Age	Male	Female
20	0.74%	1.92%
25	0.74	2.06
30	0.78	2.36
35	1.00	2.71
40	1.28	3.05
45	1.62	3.40
50	2.01	3.78
55	2.48	4.53
60	3.32	6.86

d. Rates of Active Disability

Rates of Active Disability	
Age	Current
20	0.02%
25	0.02
30	0.07
35	0.10
40	0.39
45	0.78
50	1.10
55	1.50

1/3 of disabilities are partial and 2/3 are total.
1/3 of disabilities are duty-related and 2/3 are non-duty related.

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

e. Termination of Employment (Prior to Normal Retirement Eligibility)

10-year Select & Ultimate tables (service-based) to age 54

SERVICE	
Select:	Rate
0-2	6.50%
3	5.00
4	4.00
5	3.50
6	3.00
7	2.50
8	2.00
9	1.50
Ultimate	0.50

f. Retirement

Normal Retirement: 1-year Select & Ultimate (age-based) upon attaining the earlier of:

- a) Completion of 20 years of credited service, or
- b) Attainment of age 62 with ten years of credited service, including immediate retirement at 25 years of credited service

Age	Normal Retirement	
	Select	Ultimate
<37	17.00%	0.00%
37-49	17.00	11.00
50-54	17.00	13.50
55-59	17.00	75.00
60+	17.00	100.00

**APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS**

g. Merit/Seniority Salary Increase (in addition to across-the-board increase)

10-year Select (service-based) & Ultimate (age-based) merit tables plus an annual inflation rate of 3.75% (rates shown below exclude amount for inflation).

<u><i>Select</i></u>	
<u>Service (years)</u>	<u>Increase</u>
0	11.50%
1 - 3	8.10
4 - 9	2.50

<u><i>Ultimate</i></u>	
<u>Age</u>	<u>Increase</u>
<40	1.00%
40+	0.50

h. Family Composition

Female spouses are assumed to be three years younger than males.

80% are assumed married for both male and female employees.

Actual marital characteristics are used for pensioners.

Dependent children eligible for survivor benefits are assumed to have their benefits cease at age 20.

2. Economic Assumptions

- a. Rate of Investment Return: 8.00%
- b. Rate of General Wage Increase: 3.75%
- c. Rate of Increase in Cost of Living: 0.00%
- d. Rate of Increase in Total Payroll (for Amortization): 3.75%
- e. Administrative Expenses as a Percentage of Payroll: 0.30%

3. Changes Since Last Valuation

None.

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Funding Method

The Entry Age Normal Actuarial Cost method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for a typical new entrant. The normal cost rate times payroll equals the normal cost. The normal cost plus member contributions will pay for projected benefits at retirement for the average plan participant.

The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability.

The portion of the actuarial accrued liability in excess of plan assets is funded according to a schedule which is intended to amortize such unfunded actuarial liability fully after a period of years. This is in addition to each year's employer normal cost. Under this cost method, actuarial gains and losses are directly reflected in the size of the unfunded actuarial liability.

The unfunded actuarial liability is amortized over a rolling ten year period from each valuation date. The payments are determined assuming total pay increases by the annual inflation rate.

2. Actuarial Value of Assets

For purposes of determining the State contribution rate to the plan we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

The actuarial value of assets is a weighted average giving 20% weight to the current market value and 80% weight to the prior year's actuarial value increased by expected interest and contributions and decreased by benefit payments and expenses. This is mathematically equivalent to recognizing 100% of the actuarially assumed interest rate, plus contribution, less payment each year, and 20% of the portion of each year's returns that have not already been reflected in asset values.

3. Changes Since Last Valuation

None.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

1. Membership

The plan covers an individual who is employed on a full-time basis as a police officer by a county or municipality in Delaware or an individual who is employed on a full-time basis as a uniformed firefighter by the City of Wilmington.

2. Member Contributions

7% of compensation.

Interest is credited at the rate of 5% per year.

Member contributions are made through an “employer pick-up” arrangement which results in deferral of taxes on the contributions.

3. Credited Service

All service as a member plus certain claimed and purchased service.

4. Final Average Compensation

Final Average Compensation is the average over the highest 36 consecutive months (or shorter period of total service).

5. Normal Retirement

Eligibility: (i) age 62 with ten years of credited service; or (ii) any age with 20 years of credited service; or (iii) ten years of credited service when age plus service equals 75.

Benefit: 2.5% of final average compensation for each year of credited service, up to 20 years, plus 3.5% of final average compensation for each year of credited service over 20 years.

6. Duty-Connected Disability Benefit

Eligibility: Disabled in the performance of his or her duties.

Benefit: If member is totally disabled: 75% of final average compensation at the time disability commenced plus 10% for each eligible dependent not to exceed 100%.

If member is partially disabled: the normal retirement benefit based on credited service at date of disability that is not less than 50% of final average compensation at the time disability commences.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

7. Ordinary Disability

Eligibility: Five years of credited service.

Benefit: If member is totally disabled: the normal retirement benefit based on credited service at date of disability that is not less than 50% of the final average compensation at the time of disability plus 5% for each eligible dependent to a maximum of 70%.

If member is partially disabled: the normal retirement benefit based on credited service at the date of disability that is not less than 30% of final average compensation at the time of retirement.

8. Survivor's Benefit

Eligibility: Death while active or death after retirement.

Benefit: For eligible survivors of employees who die in active service: 50% of salary, payable to the primary survivor.

For eligible survivors of pensioners who die: 50% of the member's pension at the time of death.

Eligible survivors include: (1) widow or widower; or (2) child or children under 18, or between 18 and 22 and attending school on a full-time basis, or over 18 and permanently disabled before 18; or (3) dependent parent or parents.

9. Vesting

Eligibility: Ten years of credited service.

Benefit: Normal retirement benefit payable at age 62 based on final average compensation and service at date of termination. In lieu of a pension, a member may receive a refund of accumulated contributions with interest. Upon application for a refund of contributions, a member's vested right to a monthly benefit shall be forfeited.

10. Withdrawal

Eligibility: Not eligible for other benefits.

Benefit: Accumulated employee contributions with interest.

11. Changes Since Last Valuation

None.