



**City of Springfield Retirement Plan Summary
Municipal Employees Retirement System of Michigan (MERS)**

Contributions For:

Valuation Date	2016	2015	2014
Contribution Date	2018	2017	2016

Employer Contribution Rates by Division

AFSCME

Normal Cost	9.72%	9.77%	9.83%
Amortization of Unfunded Liability	8.04%	7.70%	8.85%
Phase in Provision	-0.86%	-1.26%	0.00%
Total Contribution Requirement	16.90%	16.21%	18.68%
Member Contribution	-2.00%	-2.00%	-2.00%
Computed Employer Rate	14.90%	14.21%	16.68%

Non-union

Normal Cost	7.99%	8.00%	8.21%
Amortization of Unfunded Liability	22.68%	22.60%	3.42%
Phase in Provision	-1.82%	-2.54%	0.00%
Total Contribution Requirement	28.85%	28.06%	11.63%
Member Contribution	-2.00%	-2.00%	-2.00%
Computed Employer Rate	26.85%	26.06%	9.63%

Public Safety

Normal Cost	0	0	142
Amortization of Unfunded Liability	11,820	9,805	5,271
Phase in Provision	-1,398	-1,864	0
Computed Employer Rate	10,422	7,941	5,413

Department Heads*

Normal Cost	977
Amortization of Unfunded Liability	3,922
Phase in Provision	0
Computed Employer Rate	4,899

*The department head division was combined with the non-union division in 2015

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Funded Status

	2016	2015	2014
AFSCME			
Actuarial Accrued Liabilities	1,051,762	990,387	932,888
Actuarial Value of Assets	674,238	646,661	635,114
Unfunded Actuarial Liability	(377,524)	(343,726)	(297,774)
Funded Ratio	64.1%	65.3%	68.1%
Non-union			
Actuarial Accrued Liabilities	2,930,424	2,899,845	910,449
Actuarial Value of Assets	1,574,153	1,642,427	733,293
Unfunded Actuarial Liability	(1,356,271)	(1,257,418)	(177,156)
Funded Ratio	53.7%	56.6%	80.5%
Public Safety			
Actuarial Accrued Liabilities	6,393,497	6,422,724	6,032,003
Actuarial Value of Assets	4,692,114	4,937,584	5,077,215
Unfunded Actuarial Liability	(1,701,383)	(1,485,140)	(954,788)
Funded Ratio	73.4%	76.9%	84.2%
Department Heads*			
Actuarial Accrued Liabilities			1,682,487
Actuarial Value of Assets			978,161
Unfunded Actuarial Liability			(704,326)
Funded Ratio			58.1%
Total City of Springfield			
Actuarial Accrued Liabilities	10,375,683	10,312,956	9,557,827
Actuarial Value of Assets	6,940,505	7,226,672	7,423,783
Unfunded Actuarial Liability	(3,435,178)	(3,086,284)	(2,134,044)
Funded Ratio	66.9%	70.1%	77.7%

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Participant Data at December 31, 2016

	Number	Annual Payroll*	Average Annual Benefit	Average Age	Average Benefit Service
AFSCME					
Active Employees	6	296,816		38.2	7.4
Vested Former Employees	1	4,874		53.9	11.2
Retirees and Beneficiaries	6	61,886	10,314.33	71.0	
Non-union					
Active Employees	9	387,964		42.0	8.8
Vested Former Employees	5	37,609		47.0	9.6
Retirees and Beneficiaries	14	234,612	16,758.00	69.9	
Public Safety					
Active Employees	0	0		0	0
Vested Former Employees	12	263,652		42.8	9.7
Retirees and Beneficiaries	20	519,094	25,954.70	68.2	
Total City of Springfield					
Active Employees	15	684,780		40.5	8.2
Vested Former Employees	18	306,135		44.6	9.8
Retirees and Beneficiaries	40	815,592	20,389.80	69.2	
Total Participants	73				

*Annual payroll for active employees, annual deferred benefits payable for vested former employees, annual benefits paid for retirees and beneficiaries

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Assumptions

	AFSCME	Non-union	Public Safety
Rate of Return	7.75%	7.75%	7.75%
Projected Long-term Inflation Rate	3.75%	3.75%	3.75%
Smoothing Method	5 Years	5 Years	5 Years
Amortization Method	22 years	22 years	17 years
Actuarial Cost Method	Entry Age Normal Method	Entry Age Normal Method	Entry Age Normal Method
Open or Closed Membership	Open	Open	Closed

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Investment Performance Net of Fees

1 year	10.85%
3 years	5.32%
5 years	8.30%
7 years	8.18%
10 years	5.11%

System Administration and Investment Expenses

Administration Expenses	0.21%
Investment Expenses	0.18%
Total	0.39%