ALSIP POLICE PENSION FUND
Actuarial Valuation Report

Showing Assets and Liabilities of the Fund in Accordance with Actuarial Reserve Requirements as of May 1, 2014

Summary

Accrued Liability	$48,482,847
Actuarial Value of Assets	$17,099,116
Unfunded Accrued Liability	$31,383,731
Funded Ratio	35%

Liabilities

Reserves for Annuities and Benefits in Force

	Head Count:	Present Value:	
Retirement Annuities	30	32,730,776	
Disability Annuities	3	1,851,030	
Surviving Spouse Annuities	2	1,415,052	
Minor Dependent Annuities	0	0	
Deferred Retirement Annuities	0	0	
Handicapped Dependent Annuities	0	0	
Dependent Parent Annuities	0	0	
Terminated Liabilities	2	74,314	
Total:	37		$36,071,172

Accrued Liabilities for Active Members	40	$12,411,675
Total Accrued Liabilities		$48,482,847
Total Normal Cost for Active Members		$894,117
Total Normal Cost as a Percentage of Payroll		28%
Total Annual Payroll		$3,184,560
Amortization of Unfunded Liabilities:		
Total Accrued Liability		$48,482,847
90% Funded Ratio Target		$43,634,562
Actuarial Value of Assets		$17,099,116
Liabilities Subject to Amortization		$26,535,446
Amortization Period		26 years
Amortization Payment, Beginning of Year		$1,315,131

This report is provided to the Board and Municipality as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based on expectations for all Article 3 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. This report was prepared under the direct supervision of the undersigned:

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Assets

Actuarial Value of Assets

Current Year Gain/(Loss):

Market value of assets as of April 30, 2013	$16,003,250
Benefit payments during fiscal year 2014	(2,599,730)
Total contributions during fiscal year 2014	2,306,338
Expected return during fiscal year 2014	1,070,317
Expected market value of assets as of April 30, 2014	$16,780,175
Actual market value of assets as of April 30, 2014	$17,022,967
Investment gain/(loss) during the fiscal year	$242,792

Development of Actuarial Value of Assets (market value less unrecognized amounts):

Market value of assets as of April 30, 2014	$17,022,967
Unrecognized gain/(loss) from fiscal 2014	194,234
Unrecognized gain/(loss) from fiscal 2013	63,453
Unrecognized gain/(loss) from fiscal 2012	(333,836)
Unrecognized gain/(loss) from fiscal 2011	0
Actuarial value of assets as of April 30, 2014	$17,099,116

Actuarially Determined Employer Contributions

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of May 1, 2014.	$578,527
Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 26 years as prescribed by Section 3-125 of the Illinois Pension Code.	$1,315,131
Interest to the end of the fiscal year.	$127,822
Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code. *	$2,021,480

*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

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Actuarial Information

The following methods have been prescribed in accordance with Section 3-125 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

Actuarial Assumptions

Interest rate	6.75%
Interest rate, prior fiscal year	6.75%
Healthy mortality rates - Male	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Healthy mortality rates - Female	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Disability mortality rates - Male	RP-2000 Disabled Retiree Mortality
Disability mortality rates - Female	RP-2000 Disabled Retiree Mortality
Decrements other than mortality	Experience tables
Rate of service-related deaths	5%
Rate of service-related disabilities	70%
Salary increases	Service-related table with rates grading from 11% to 4% at 30 years of service
Payroll growth	4.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

Data and Fund Information

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant.

The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.