



February 26, 2018

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PERSONAL & CONFIDENTIAL

Dr. Suzanne S. Taylor
Chairperson
Old Saybrook Pension & Benefits Board
P.O. Box 408
Old Saybrook, CT 06475-1741

Re: Town of Old Saybrook Fire Company No. 1 Retirement Plan

Dear Suzanne:

We have performed the July 1, 2017 actuarial valuation of the Town of Old Saybrook Fire Company No. 1 Retirement Plan for fiscal year 2018-19 and fiscal year 2019-20. The results of the valuation are contained in the following report.

Section I contains an Executive Summary in which we present the principal results of this valuation. Details regarding Plan assets, liabilities, and costs are found in Sections II and III. Sections IV, V, and VI contain accounting information, information regarding Plan membership, a description of the actuarial method and assumptions employed in this valuation, and an outline of the benefit provisions.

The Actuarially Determined Contribution is shown below:

	Fiscal Year 2018-19	Fiscal Year 2019-20
Actuarially Determined Contribution	\$157,552	\$169,368

Please let me know if you have any questions about the information contained in this report.

Respectfully submitted,

Rebecca A. Sielman, FSA
Consulting Actuary

RAS:de

cc: Lee Ann Palladino
J.T. Dunn



TOWN OF OLD SAYBROOK FIRE COMPANY NO. 1 RETIREMENT PLAN

**Actuarial Valuation as of July 1, 2017
For Fiscal Years 2018-19 and 2019-20**

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2017 for fiscal years 2018-19 and 2019-20. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use 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 exception(s): (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.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. 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 additional cost or contribution requirements 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 such future measurement.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Rebecca A. Sielman, FSA
Consulting Actuary

Section I - Executive Summary

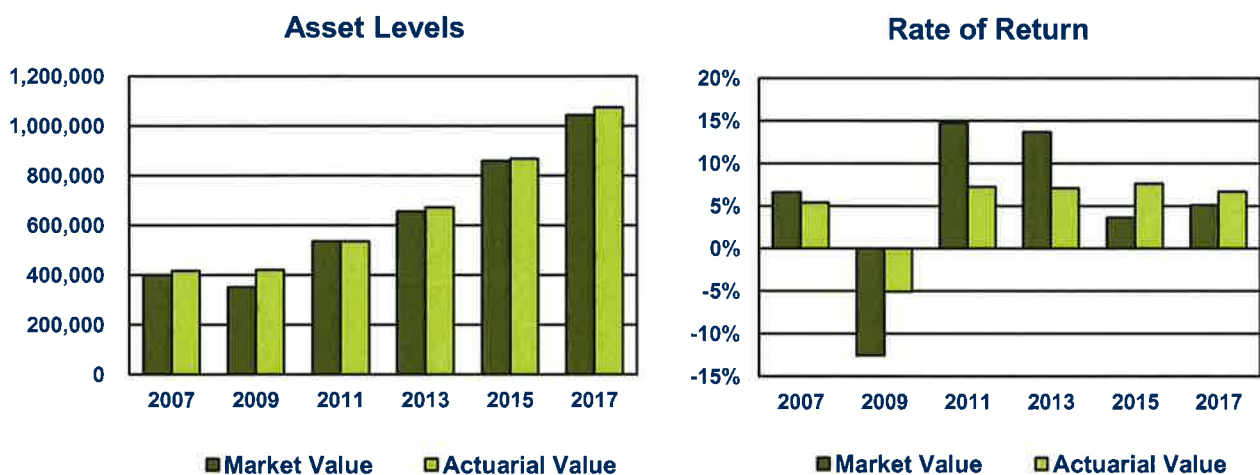
A. Highlights

Assets

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 over four years.

	Market	Actuarial
Value as of July 1, 2015	\$859,875	\$868,156
Contributions	288,513	288,513
Investment Income	91,007	113,919
Benefit Payments	(194,815)	(194,815)
Value as of June 30, 2017	1,044,580	1,075,773

The plan's assets earned -0.43% for fiscal year 2015-16 and 10.31% for fiscal year 2016-17. The actuarial assumption for this period was 7.75% per year; the result is an asset loss of \$49,000 on a Market Value basis and a loss of \$30,600 on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.



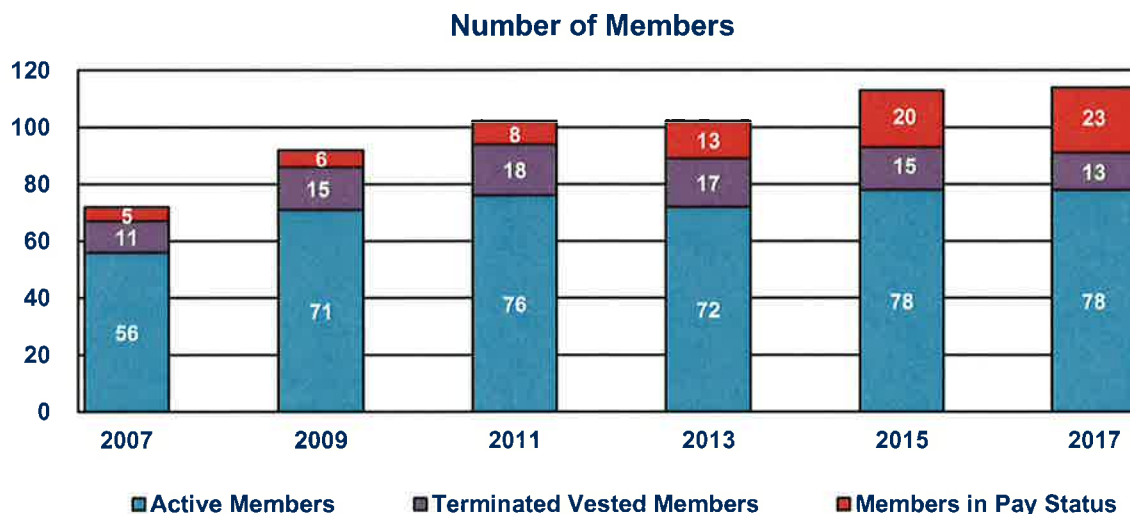
Please note that the Actuarial Value currently exceeds the Market Value by \$31,200. This figure represents investment losses that will be gradually recognized over the next four years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

Section I - Executive Summary

A. Highlights

Membership

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



From July 1, 2015 to July 1, 2017, the overall membership increased from 113 to 114. During this period, there were 15 new members, 2 active members and 3 terminated vested members who retired, 1 active member who terminated and was vested as well as the termination of 12 active members who were not vested. Two members died one without benefits continuing to a beneficiary.

Section I - Executive Summary

A. Highlights

Plan Changes

None.

Changes in Actuarial Methods or Assumptions

In order to better anticipate future plan experience, we lowered the interest rate assumption from 7.75% to 7.50%.

Certain administrative expenses are now being paid out of plan assets rather than out of Town funds. To reflect this change, we have added an expense component to the Normal Cost to anticipate the administrative expenses that will be paid in the coming year. Each year's expense "load" is calculated by starting with the administrative expenses that were actually paid during the prior year, increasing that amount by 3% to reflect inflation, and then rounding to the nearest \$100.

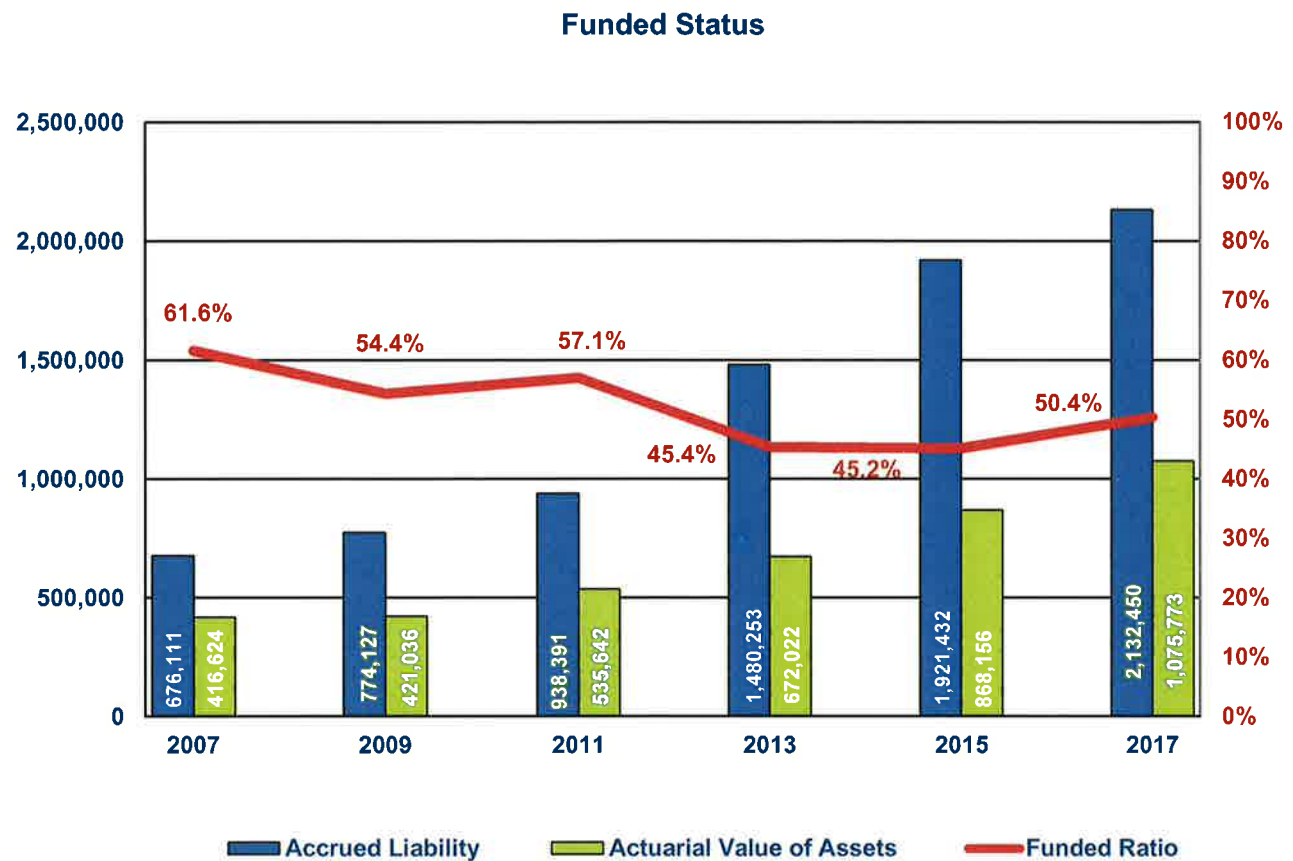
The impact of these changes was to increase the Unfunded Accrued Liability by about \$60,000 and to increase the Actuarially Determined Contribution by about \$10,700.

Section I - Executive Summary

A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past several years.



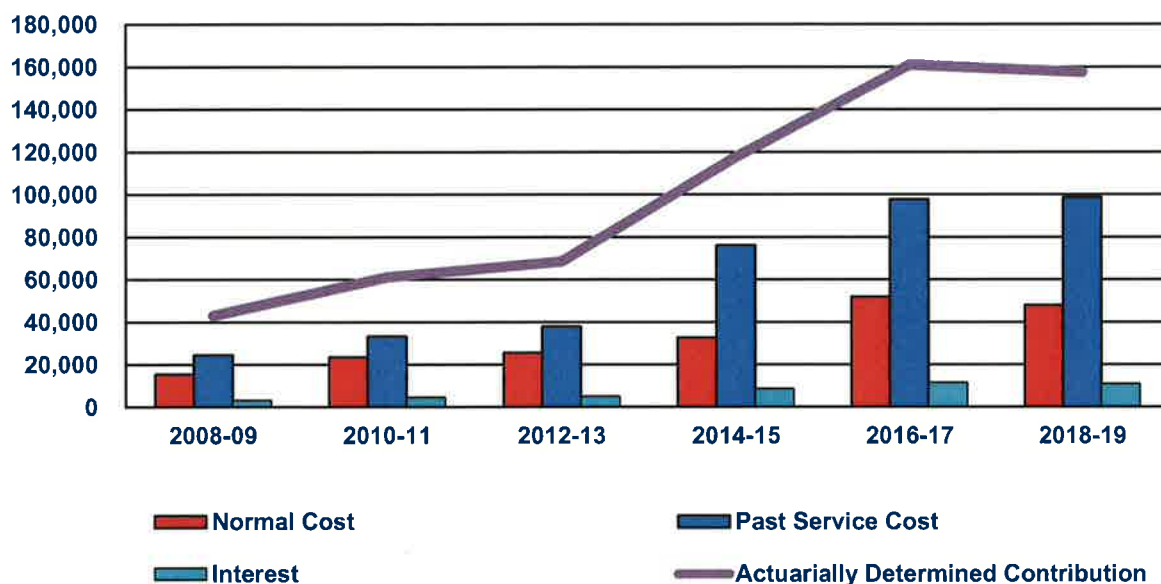
Section I - Executive Summary

A. Highlights

Actuarially Determined Contribution

The Actuarially Determined Contribution 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 the end of the year. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

Contribution levels for the current year and the past few fiscal years are shown below.



Section I - Executive Summary

B. Summary of Principal Results

Membership	July 1, 2015	July 1, 2017
Active Members	78	78
Terminated Vested Members	15	13
Members in Pay Status	20	23
Assets and Liabilities	July 1, 2015	July 1, 2017
Market Value of Assets	\$859,875	\$1,044,580
Actuarial Value of Assets	868,156	1,075,773
Accrued Liability for Active Members	\$953,705	\$1,186,491
Accrued Liability for Terminated Vested Members	213,458	148,077
Accrued Liability for Members in Pay Status	754,269	797,882
Total Accrued Liability	1,921,432	2,132,450
Unfunded Accrued Liability	1,053,276	1,056,677
Funded Ratio	45.2%	50.4%
Actuarially Determined Contribution For First Fiscal Year	FY 2016-17	FY 2018-19
Normal Cost	\$51,798	\$47,861
Past Service Cost	97,717	98,699
Interest	11,587	10,992
Actuarially Determined Contribution	161,102	157,552
Actuarially Determined Contribution For Second Fiscal Year	FY 2017-18	FY 2019-20
Actuarially Determined Contribution	\$173,587	\$169,368

Section II - Plan Assets

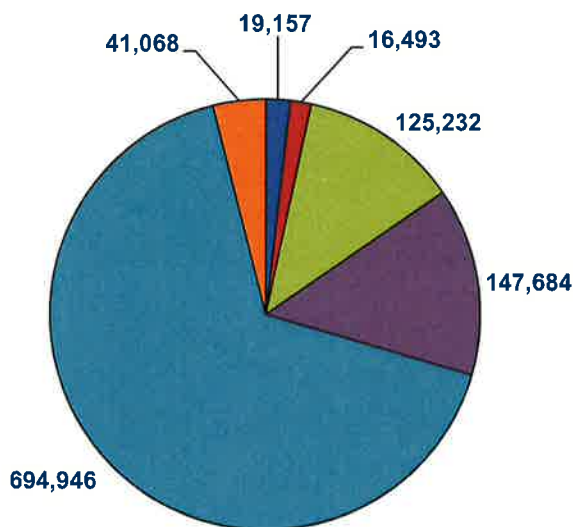
A. Summary of Fund Transactions

	2015-16	2016-17
Market Value as of July 1	\$859,875	\$889,633
Employer Contributions	127,411	161,102
Benefit Payments	(93,840)	(100,975)
Net Investment Income	(311)	95,036
Administrative Expenses	(3,502)	(216)
Market Value as of June 30	889,633	1,044,580
Approximate Rate of Return	-0.43%	10.31%

Note: 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 fiscal year.

Asset Allocation

- Non-Interest Bearing Cash
- Interest Bearing Cash
- Government Securities
- Corporate Fixed Income
- Common Stocks
- Net Unsettled Purchases/Sales



Section II - Plan Assets

B. 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 over a four year period. The Actuarial Value of Assets as of each July 1 is determined below.

	2015-16	2016-17
1. Expected Actuarial Value of Assets:		
a. Actuarial Value of Assets as of July 1	\$868,156	\$950,123
b. Employer Contributions	127,411	161,102
c. Benefit Payments	(93,840)	(100,975)
d. Expected Investment Return Based on 7.75% Interest	<u>68,559</u>	<u>75,921</u>
e. Expected Actuarial Value of Assets as of June 30	970,286	1,086,171
2. Market Value of Assets as of June 30	889,633	1,044,580
3. Actuarial Value of Assets as of June 30: 75% of (1e) + 25% of (2)	950,123	1,075,773
4. Approximate Rate of Return on Actuarial Value of Assets	5.47%	6.68%
5. Actuarial Value (Gain)/Loss	20,163	10,398

Section III - Development of Contribution

A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level dollar amount over a period of 20 years. Starting with the July 1, 2017 valuation, the amortization period declines by 1 year every year.

	July 1, 2015	July 1, 2017
1. Accrued Liability		
Active Members	\$953,705	\$1,186,491
Terminated Vested Members	213,458	148,077
Retired Members	630,040	735,791
Disabled Members	0	0
Beneficiaries of Deceased Members	<u>124,229</u>	<u>62,091</u>
Total	1,921,432	2,132,450
2. Actuarial Value of Assets (see Section II B)	868,156	1,075,773
3. Unfunded Accrued Liability: (1) - (2)	1,053,276	1,056,677
4. Funded Ratio: (2) / (1)	45.2%	50.4%
5. Amortization Period	20	19
6. Past Service Cost: (3) amortized over (5)	97,717	98,699

Section III - Development of Contribution

B. Actuarially Determined Contribution

	Fiscal Years 2016-17 2017-18	Fiscal Years 2018-19 2019-20
1. Total Normal Cost	\$51,798	\$44,061
2. Expected Employee Contributions	0	0
3. Expected Administrative Expenses	N/A	3,800
4. Net Normal Cost: (1) - (2) + (3)	51,798	47,861
5. Past Service Cost (see Section III A)	97,717	98,699
6. Interest on (4) + (5) to start of first fiscal year	11,587	10,992
7. Actuarially Determined Contribution for first fiscal year: (4) + (5) + (6)	161,102	157,552
8. Actuarially Determined Contribution for second fiscal year: (7) plus one year's interest	173,587	169,368

Section IV - Accounting Information

A. Notes to Required Supplementary Information

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2017
Actuarial Cost Method	Entry Age Normal Level Dollar Allocation
Amortization Method	Level dollar amount
Amortization Period	Closed 20 years
Asset Valuation Method	75% of Expected Actuarial Value plus 25% of Actual Market Value
Actuarial Assumptions	
Investment Rate of Return	7.50%
Amortization Growth Rate	0.00%
Inflation	3.00%

Milliman Actuarial Valuation

**Section IV - Accounting Information
B. Schedule of Funding Progress**

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAAL) (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2005	\$351,291	\$575,047	\$223,756	61.1%	N/A	N/A
07/01/2007	416,624	676,111	259,487	61.6%	N/A	N/A
07/01/2009	421,036	774,127	353,091	54.4%	N/A	N/A
07/01/2011	535,642	938,391	402,749	57.1%	N/A	N/A
07/01/2013	672,022	1,480,253	808,231	45.4%	N/A	N/A
07/01/2015	868,156	1,921,432	1,053,276	45.2%	N/A	N/A
07/01/2017	1,075,773	2,132,450	1,056,677	50.4%	N/A	N/A

Section IV - Accounting Information

C. Schedule of Employer Contributions

	(1)	(2)	(3)	(4)	(5)
Fiscal Year Ending June 30	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Deficiency/ (Excess) (1) - (2)	Covered Payroll	Contribution as a Percentage of Covered Payroll (2) / (4)
2010	\$46,553	\$40,000	\$6,553	N/A	N/A
2011	61,272	61,272	0	N/A	N/A
2012	66,174	65,368	806	N/A	N/A
2013	68,716	68,613	103	N/A	N/A
2014	74,213	74,213	0	N/A	N/A
2015	117,695	117,695	0	N/A	N/A
2016	127,111	127,411	(300)	N/A	N/A
2017	143,608	161,102	(17,494)	N/A	N/A
2018	155,097	TBD	TBD	N/A	N/A
2019	153,467	TBD	TBD	N/A	N/A
2020	164,977	TBD	TBD	N/A	N/A

Section IV - Accounting Information

D. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	As of July 1, 2015	As of July 1, 2017
1. Value of Vested Benefits		
Active Members	\$731,331	\$935,831
Terminated Vested Members	213,458	148,077
Retired Members	630,040	735,791
Disabled Members	0	0
Beneficiaries of Deceased Members	<u>124,229</u>	<u>62,091</u>
Total Value of Vested Benefits	1,699,058	1,881,790
2. Value of Non-Vested Benefits	137,192	140,648
3. Total Value of Accrued Benefits: (1) + (2)	1,836,250	2,022,438
4. Market Value of Assets	859,875	1,044,580
5. Vested Funded Ratio: (4) / (1)	50.6%	55.5%
6. Accrued Funded Ratio: (4) / (3)	46.8%	51.6%

Section V - Membership Data

A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Retirees	Disabled	Bene- ficiaries	Total
Count as of July 1, 2015	78	15	17	0	3	113
Terminated Non-Vested	(12)	-	-	-	-	(12)
Terminated, benefits due	(1)	1	-	-	-	0
Retired	(2)	(3)	5	-	-	0
Died, with beneficiary	-	-	-	-	-	0
Died, no beneficiary	-	-	(1)	-	(1)	(2)
Paid refund	-	-	-	-	-	0
New member	15	-	-	-	-	15
New beneficiary	-	-	-	-	-	0
Adjustment	-	-	-	-	-	0
Count as of July 1, 2017	78	13	21	0	2	114

Section V - Membership Data

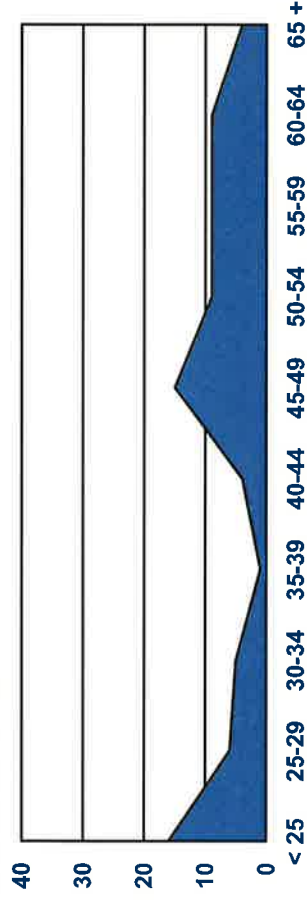
B. Statistics of Membership

	As of July 1, 2015	As of July 1, 2017
Active Members		
Number	78	78
Average Age	44.8	43.4
Average Service	12.3	13.7
Terminated Vested Members		
Number	15	13
Total Annual Benefit	\$43,660	\$36,932
Average Annual Benefit	2,911	2,841
Average Age	55.0	51.5
Retired Members		
Number	17	21
Total Annual Benefit	\$75,036	\$88,494
Average Annual Benefit	4,414	4,214
Average Age	69.9	70.6
Disabled Members		
Number	0	0
Total Annual Benefit	\$0	\$0
Average Annual Benefit	0	0
Average Age	0.0	0.0
Beneficiaries of Deceased Members		
Number	3	2
Total Annual Benefit	\$16,104	\$6,612
Average Annual Benefit	5,368	3,306
Average Age	72.7	72.4

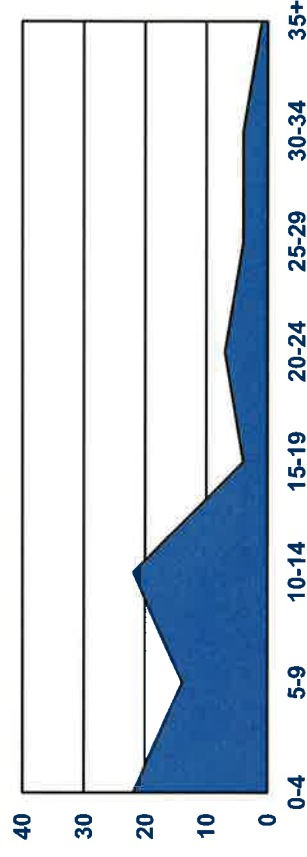
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2017 - Count

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	10	6	0	0	0	0	0	0	16
25-29	0	1	5	0	0	0	0	0	6
30-34	2	0	3	0	0	0	0	0	5
35-39	0	1	0	0	0	0	0	0	1
40-44	2	0	2	0	0	0	0	0	4
45-49	2	2	5	2	3	1	0	0	15
50-54	0	2	3	1	1	1	1	0	9
55-59	1	1	2	1	2	0	2	0	9
60-64	2	1	2	0	0	2	1	1	9
65 +	3	0	0	0	1	0	0	0	4
Total	22	14	22	4	7	4	4	1	78

Distribution By Age



Distribution by Years of Service



Section V - Membership Data

D. Distribution of Inactive Members as of July 1, 2017

	Age	Number	Annual Benefits
Terminated Vested Members /	< 30	0	\$0
Members Due Refunds	30 - 39	1	2,150
	40 - 49	4	12,535
	50 - 59	5	16,054
	60 - 64	3	6,193
	65 +	0	0
	Total	13	36,932
Retired Members	< 50	0	\$0
	50 - 59	0	0
	60 - 69	14	61,928
	70 - 79	6	22,984
	80 - 89	0	0
	90 +	1	3,582
	Total	21	88,494
Disabled Members	< 50	0	\$0
	50 - 59	0	0
	60 - 69	0	0
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	0	0
Beneficiaries of Deceased Members	< 50	0	\$0
	50 - 59	1	4,692
	60 - 69	0	0
	70 - 79	0	0
	80 - 89	1	1,920
	90 +	0	0
	Total	2	6,612

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal Cost Method with Level Dollar Allocation**. Recommended annual contributions until the accrued liability is completely funded will consist of three pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability plus interest to adjust for the lag between the valuation date and the start of the fiscal year.

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 dollar amount from entry age to termination as an Active Member. 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 Retired Members and Terminated Vested 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.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level dollar amount with an amortization period of 20 years. Starting with the July 1, 2017 valuation, the amortization period will decrease each year until it reaches 10 years, after which time it will remain at 10 years.

The **Actuarial Value of Assets** is determined to be 75% of the expected Actuarial Value of Assets (based on actual cash flow and assumed investment return) plus 25% of the actual market value.

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 Current: 7.50%

Prior: 7.75%

Expenses Current: Prior year actual administrative expenses increased by 3% and rounded to the nearest \$100. (Prior: None)

Mortality RP-2000 Blue Collar Combined Healthy Mortality Table, Male and Female, with static projection of future mortality improvements to 2019 per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.

Turnover According to the following table:

Age	Male Rate	Female Rate
25	5.000%	7.500%
30	3.750%	5.625%
35	2.500%	3.750%
40	1.625%	1.955%
45	0.750%	0.150%
50+	0.000%	0.000%

Retirement Age 65. All members older than the assumed retirement age as of the valuation date are assumed to retire immediately.

Marital Status All members are assumed to have an eligible spouse with females 3 years younger than males.

Pre-retirement Death 25% of all pre-retirement deaths are assumed to be service-connected and 75% are assumed to be non-service-connected.

Pre-Retirement Disability 50% of the 1985 Pension Disability Table (DP-85) Class 1.

Officer Incentive Program It is assumed that a member will serve no more than 15 years as an officer (5 year maximum for service credit as Chief).

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	Volunteers joining Old Saybrook Fire Company No. 1 after January 1, 1993 shall become members of the plan on the following January 1. Volunteers who have met conditions of qualifications as of January 1, 1993 became members on that date.
Credited Service	Whole years from date of participation, but not greater than 25 years. Effective July 1, 2014, service is capped at 30 years.
Normal Form of Benefit	Life Annuity.
Normal Retirement Date	Age 65.
Normal Retirement Benefit	<p>Effective July 1, 2014, \$270 multiplied by Years of Credited Service to a maximum of 30 years.</p> <p>For members who retire after July 1, 2003 but prior to July 1, 2014: \$215 multiplied by Years of Credited Service to a maximum of 25 years.</p> <p>For members who retired prior to July 1, 2003: \$174 multiplied by Years of Credited Service to a maximum of 25 years.</p> <p>Officer Incentive Program: Additional annual benefit per year of service as an officer with the Old Saybrook Fire Company No. 1. Rates are \$24 for Lieutenant, \$48 for Captain, \$72 for Assistant Chief, \$96 for Deputy Chief and \$120 for Chief (with a 5 year maximum service credit as Chief).</p>
Early Retirement Date	The later of age 55 and the completion of 15 years of Credited Service.
Early Retirement Benefit	Benefit is based on Credited Service to actual retirement date reduced by 6% for each year by which Early Retirement Date precedes Normal Retirement Date.
Deferred Retirement Date	Members may continue to work beyond Normal Retirement.
Deferred Retirement Benefit	Benefit based on Credited Service to actual date of retirement.

Appendix C - Summary of Plan Provisions

Line of Duty Disability	If member becomes permanently and totally disabled in the line of duty, the member will receive \$8,100 annually plus any accrued Officers' Incentive benefit.
Non-Line of Duty Disability	If member who has 10 years of Credited Service becomes permanently and totally disabled while not in the line of duty, the member will receive \$270 multiplied by Years of Credited Service up to a maximum of 30 years, plus any accrued Officers' incentive benefit.
Pre-retirement Line of Duty Death Benefit	Upon the service related death of an active member, the surviving spouse or if no surviving spouse, surviving children under age 26 shall receive a death benefit equal to \$8,100 annually plus any accrued Officers' incentive benefit.
Pre-retirement Non-Line of Duty Death Benefit	A monthly survivor benefit payable on behalf of a member who has attained age 55 and completed 15 years of Credited Service, and who has a surviving spouse to whom the member has been married at least one year. The benefit will be 50% of the monthly retirement benefit which such member would have received had he or she retired on the day before death.
Pre-retirement Line of Duty Death Benefit	Upon the service related death of an active member, the surviving spouse shall receive a death benefit equal to \$8,100 annually, plus any accrued Officer's Incentive benefit.
Vesting	A member is 100% vested after 10 years of Credited Service.
Termination Benefit	Normal Retirement Benefit calculated using Credited Service through Date of Termination.