

## Public Act 530 of 2016 - Compliance Guide

Sec. 13 (1)(d)	Item	Information and Location
(i)	Name of system	City of Madison Heights Police and Fire System PA 345
(ii)	Names Investment Fiduciaries	Madison Heights Police and Fire Pension Board
(iii)	Systems service providers	PNC Institutional Asset Management, GRS Actuaries
(iv)	System's assets and liabilities/ changes	Valuation of Assets: \$45,546,957 Actuarial Accrued Liability: \$77,750,883
(v)	System's funded ratio	59%
(vi)	Investment performance	Investment performance net of fees: 1 year: 10.23% 3 years: 2.95% 5 years: 6.0% 7 years: n/a 10 years: n/a
(vii)	System admin & invest expenses	At June 30, 2016, the cost of the Defined Benefit Plan was 0.85% (0.51% for administration and 0.34% for investments)
(viii)	System's budget	Not applicable to the local government
(ix)		
(A)	Number of actives	72
(B)	Number of retirees/beneficiaries	135
(C)	The average annual retirement allowance	\$37,804 per retiree
(D)	Total annual retirement allowance	\$5,103,567
(E)	Valuation payroll for active employees	\$5,491,632
(F)	Normal cost and /or percentage	727,364
(G)	Total computed employer contribution	\$2,393,830
(H)	Weighted average member contributions	8.90%
(I)	Actuarial investment return	7.50%
(J)	Actuarial long term inflation rate	3.75%
(K)	Smoothing method	4 years
(L)	Amortization method	28-year closed
(M)	Actuarial cost method	Entry Age Normal Method
(N)	Open or closed membership	Open membership with tiered benefits
(O)	Health care inflation	Not applicable to pension plans.
(x)	Travel report	\$500
Sec. 20h (1)	Item	Information and Location
7	If below 60% funded, actions taken to reduce the system's UAL	<p><b>The Madison Heights Police and Fire Pension System adheres to the following fiscal best practices:</b></p> <ul style="list-style-type: none"> <li>• Use a fixed Amortization period</li> <li>• Checks and balances to eliminate unexpected pension spikes.</li> <li>• Lower benefit offered to new hires</li> </ul> <p>* Adopted a reduction in the assumed rate of return over the next four years. * Reduced the interest earned on employee contributions.</p>