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January 5, 2018

PERSONAL & CONFIDENTIAL

Mr. Gary Conrad
Finance Director
Westport Town Hall
110 Myrtle Avenue
Westport, CT 06880

Re: Town of Westport Pension Plans
July 1, 2017 Valuation Reports

Dear Gary:

We have enclosed 10 copies for each plan of our July 1, 2017 valuation reports. We have also enclosed a single page summary showing the key figures for the five plans side by side. Please let me know if you have any questions or have any trouble finding information you need.

Sincerely,

A handwritten signature in blue ink that reads 'Becky'.

Rebecca A. Sielman, FSA
Consulting Actuary



TOWN OF WESTPORT RETIREMENT PLAN FOR MUNICIPAL EMPLOYEES

**Actuarial Valuation as of July 1, 2017
For Fiscal Year 2018-19**

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 year 2018-19. 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 actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

We are members 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

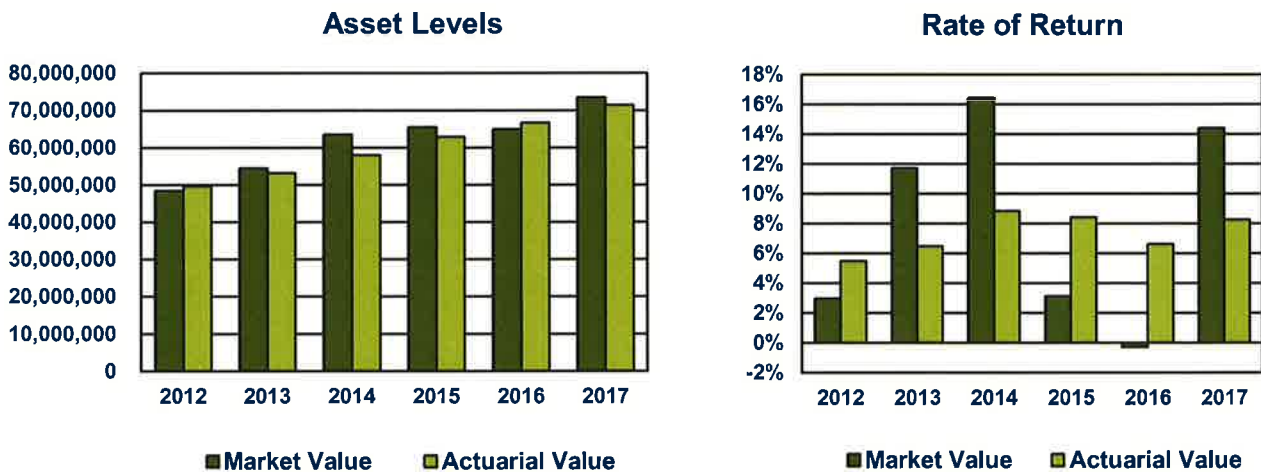
A. Highlights

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 five years.

	Market	Actuarial
Value as of July 1, 2016	\$64,996,463	\$66,704,958
Contributions	2,610,046	2,610,046
Investment Income	9,305,394	5,472,755
Benefit Payments	(3,408,479)	(3,408,479)
Value as of July 1, 2017	73,503,424	71,379,280

For fiscal year 2016-17, the plan's assets earned 14.405% on a Market Value basis and 8.254% on an Actuarial Value basis. The actuarial assumption for this period was 6.125%; the result is an asset gain of \$5,348,700 on a Market Value basis and a gain of \$1,411,600 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 is less than the Market Value by \$2,124,100. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

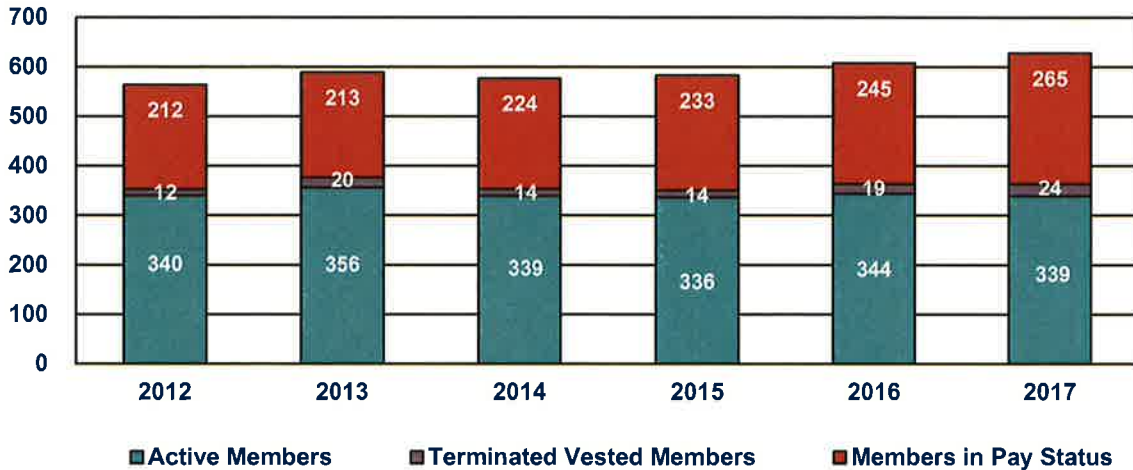
Section I - Executive Summary

A. Highlights

Membership

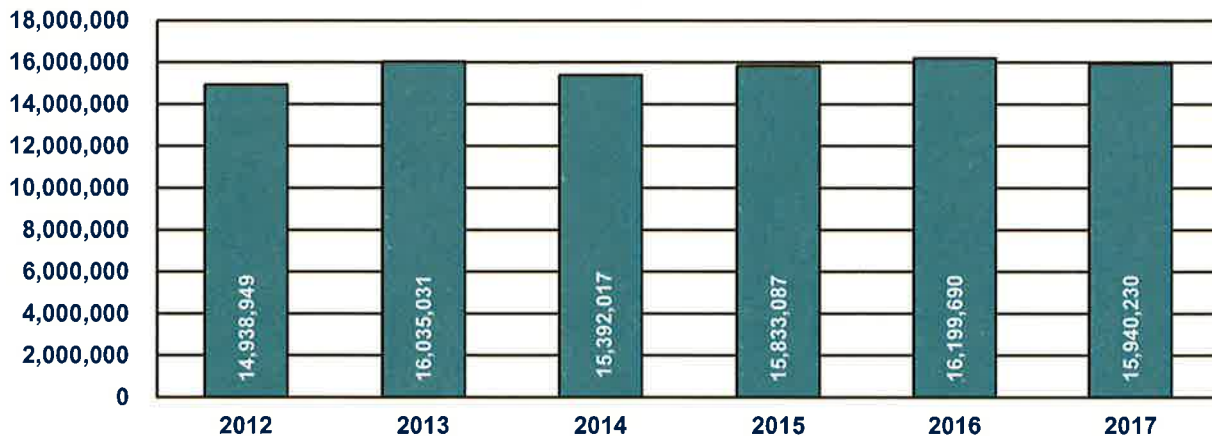
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly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

Number of Members



From July 1, 2016 to July 1, 2017, the overall membership increased from 608 to 628. During this period, there were 52 new members, 26 members retired, 6 terminated employment and are due a refund of employee contributions, 4 terminated employment with benefits due, and 6 members transferred to the Retirement Plan for Non-Union Employees. In addition, 1 active member died with benefits payable to his beneficiary, 6 retirees died without beneficiaries, and 1 beneficiary died while 19 members received refunds of employee contributions.

Payroll



Section I - Executive Summary

A. Highlights

Plan Changes

- The plan was closed to employees hired after July 14, 2017.
- The employee contribution rate was raised from 4.0% to 4.5% as of July 1, 2017, and will further increase by .50% each year until reaching 6.0% as of July 1, 2020.
- For participants who had not yet reached Normal Retirement Date by July 14, 2017, Normal Retirement was changed to the earliest of (1) age 65 with 10 years of continuous service, (2) age 65 with 15 years of non-continuous service, (3) age 55 with 25 years of continuous service, or (4) age 55 with 30 years of non-continuous service.
- The Normal Retirement Benefit was changed to 2% of Final Average Compensation times Credited Service capped at 33 years for a maximum benefit of 66% of Final Average Compensation. Any Credited Service in excess of 20 years as of July 1, 2016 was grandfathered at the old 2.25% benefit multiplier.

The combined impact of these changes was a decrease in the Unfunded Accrued Liability of approximately \$1.1 million and a decrease in the Actuarially Determined Contribution of approximately \$285,000.

Changes in Actuarial Methods or Assumptions

None

Other Changes

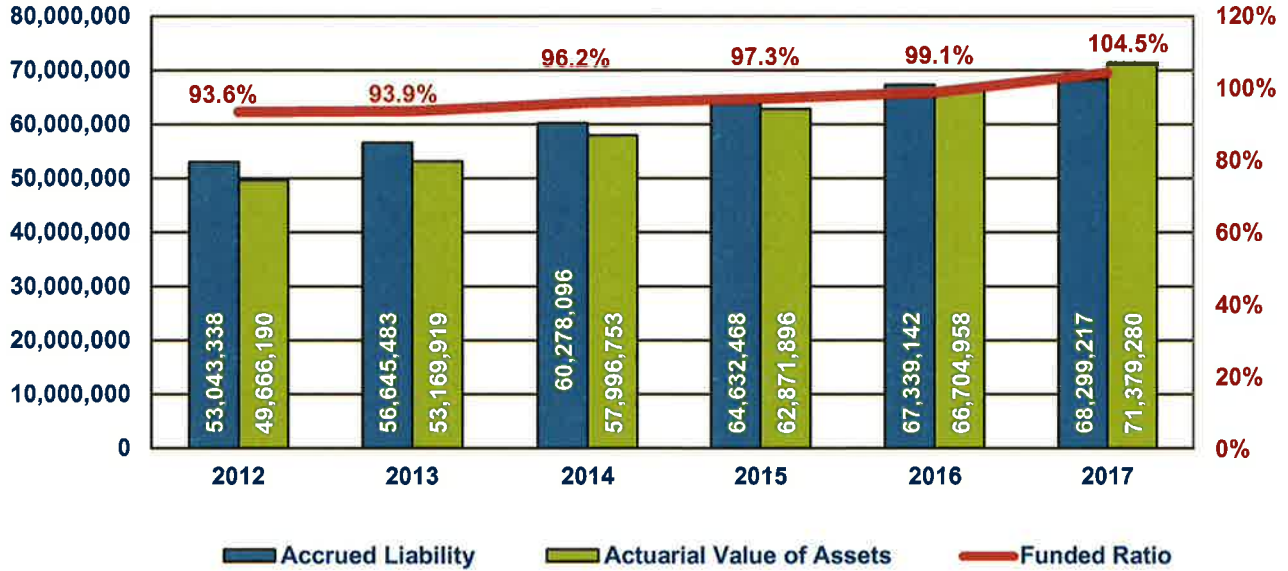
A total of 6 active members were transferred from this plan to the Retirement Plan for Non-Union Employees.

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 few years.



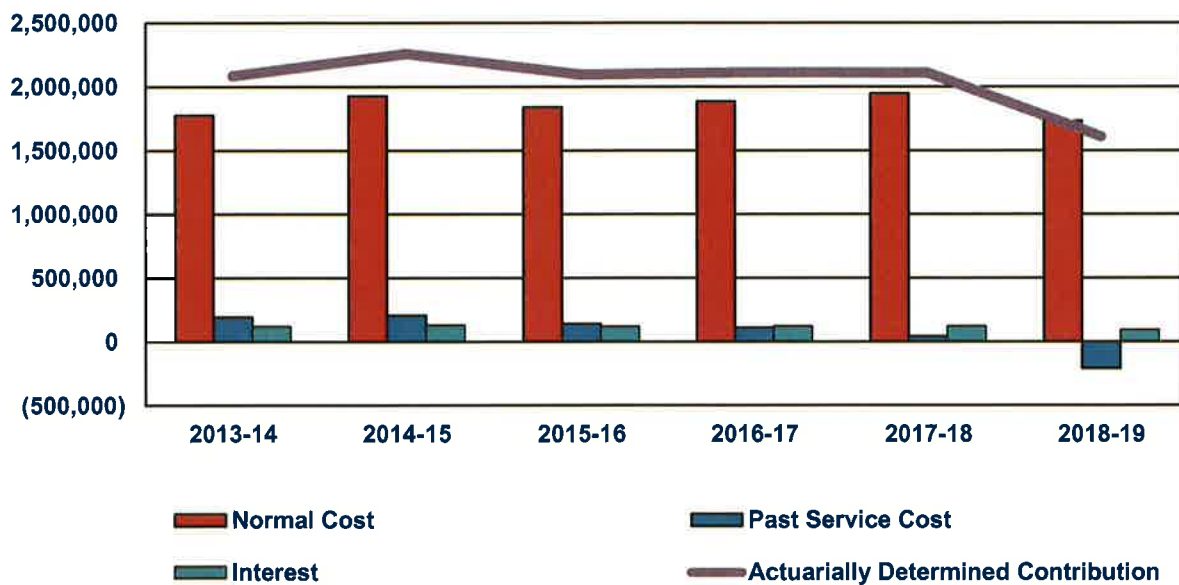
Section I - Executive Summary

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.

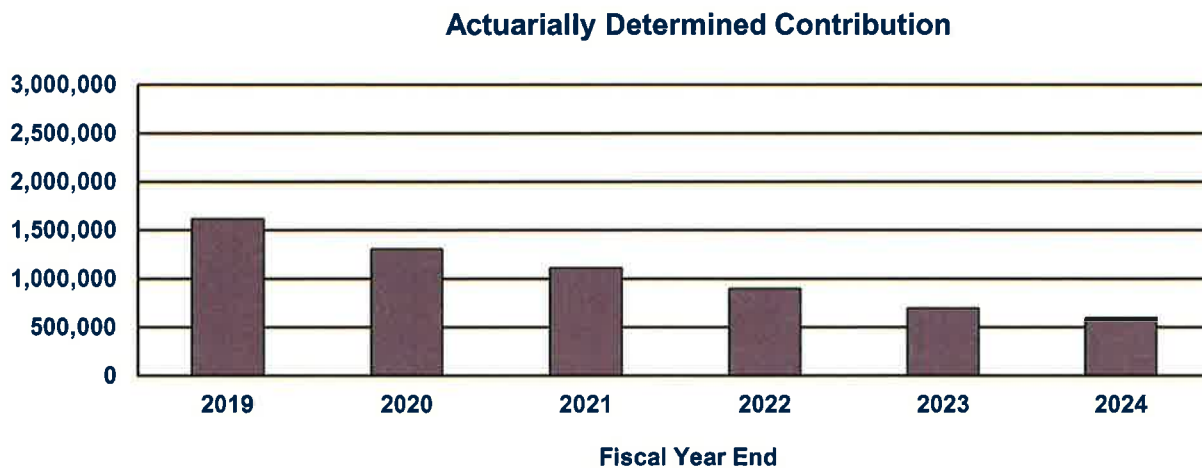
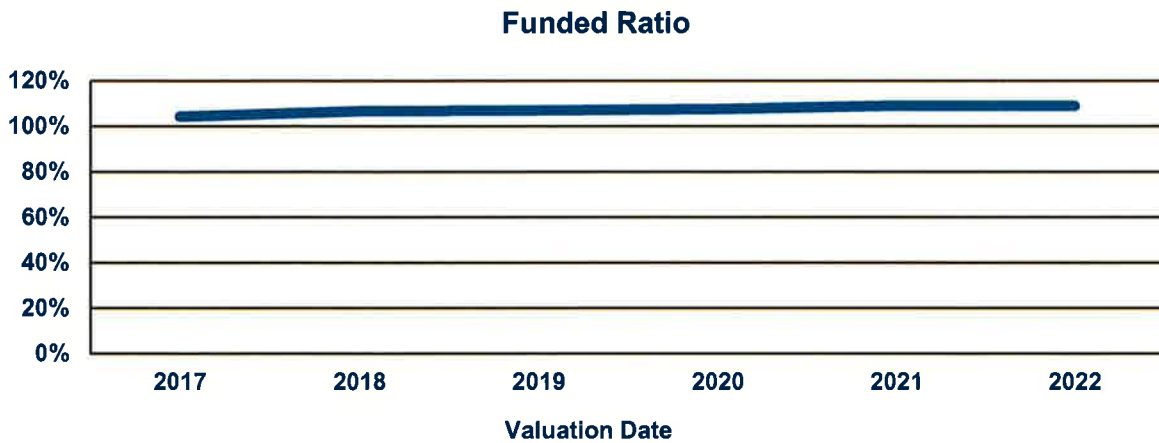


Section I - Executive Summary

A. Highlights

Long Range Forecast

We expect the valuation results for the next several years to follow the patterns illustrated below:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary
B. Summary of Principal Results

Membership	July 1, 2016	July 1, 2017
Active Members	344	339
Terminated Vested Members	19	24
Members in Pay Status	245	265
Payroll	\$16,199,690	\$15,940,230
Assets and Liabilities	July 1, 2016	July 1, 2017
Market Value of Assets	\$64,996,463	\$73,503,424
Actuarial Value of Assets	66,704,958	71,379,280
Accrued Liability for Active Members	\$36,403,326	\$33,142,321
Accrued Liability for Terminated Vested Members	901,204	1,437,695
Accrued Liability for Members in Pay Status	30,034,612	33,719,201
Total Accrued Liability	67,339,142	68,299,217
Unfunded Accrued Liability	634,184	(3,080,063)
Funded Ratio	99.1%	104.5%
Actuarially Determined Contribution for Fiscal Year	2017-18	2018-19
Normal Cost	\$1,947,725	\$1,730,839
Past Service Cost	41,502	(209,328)
Interest	121,840	93,193
Actuarially Determined Contribution	2,111,067	1,614,704

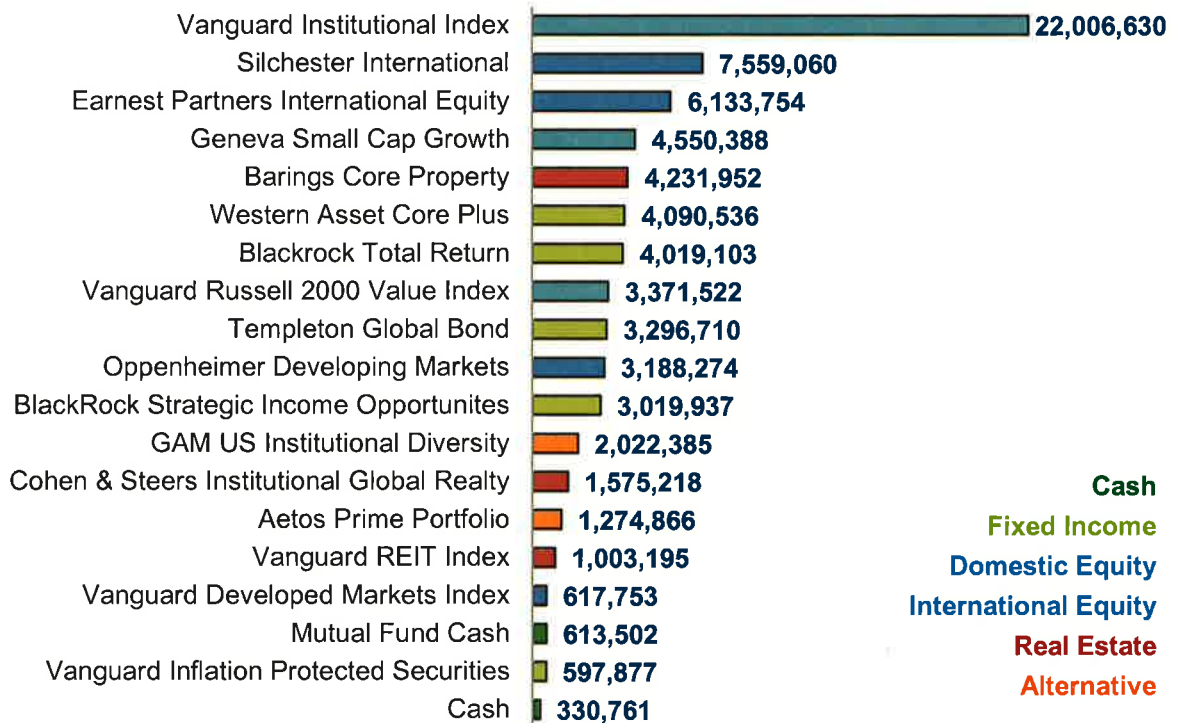
Section II - Plan Assets

A. Summary of Fund Transactions

Market Value as of July 1, 2016	\$64,996,463
Employer Contributions	1,943,110
Employee Contributions	666,936
Benefit Payments	(3,408,479)
Investment Income	9,429,867
Investment Expenses	(124,473)
 Market Value as of July 1, 2017	 73,503,424
 Approximate Rate of Return	 14.405%

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 as of June 30, 2017



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 five year period starting on July 1, 2011. The Actuarial Value of Assets as of July 1, 2017 is determined below.

1.	Expected Market Value of Assets:		
	a. Market Value of Assets as of July 1, 2016		\$64,996,463
	b. Employer and Employee Contributions		2,610,046
	c. Benefit Payments		(3,408,479)
	d. Expected Investment Return Based on 6.125% Interest		<u>3,956,650</u>
	e. Expected Market Value of Assets as of July 1, 2017		68,154,680
2.	Actual Market Value of Assets as of July 1, 2017		73,503,424
3.	Market Value (Gain)/Loss: (1e) - (2)		(5,348,744)
4.	Delayed Recognition of Market (Gains)/Losses:		
		Percent Not	Amount Not
	Plan Year End	(Gain)/Loss	Recognized
	06/30/2017	(\$5,348,744)	80% (\$4,278,995)
	06/30/2016	4,181,058	60% 2,508,635
	06/30/2015	1,916,353	40% 766,541
	06/30/2014	(5,601,626)	20% <u>(1,120,325)</u>
			(2,124,144)
5.	Actuarial Value of Assets as of July 1, 2017: (2) + (4)		71,379,280
6.	Approximate Rate of Return on Actuarial Value of Assets		8.254%
7.	Actuarial Value (Gain)/Loss		(1,411,618)

Section III - Development of Contribution

A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 25 years starting on July 1, 2011.

	July 1, 2016	July 1, 2017
1. Accrued Liability		
Active Members	\$36,403,326	\$33,142,321
Terminated Vested Members	901,204	1,437,695
Retired Members	28,183,696	31,602,313
Disabled Members	737,586	917,811
Beneficiaries of Deceased Members	<u>1,113,330</u>	<u>1,199,077</u>
Total	67,339,142	68,299,217
2. Actuarial Value of Assets (see Section II B)	66,704,958	71,379,280
3. Unfunded Accrued Liability: (1) - (2)	634,184	(3,080,063)
4. Funded Ratio: (2) / (1)	99.1%	104.5%
5. Amortization Period	20	19
6. Amortization Growth Rate	3.00%	3.00%
7. Past Service Cost: (3) amortized over (5)	41,502	(209,328)

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year 2017-18	Fiscal Year 2018-19
1. Total Normal Cost	\$2,581,196	\$2,433,066
2. Expected Employee Contributions	633,471	702,227
3. Expected Expenses	0	0
4. Net Normal Cost: (1) - (2) + (3)	1,947,725	1,730,839
5. Past Service Cost (see Section III A)	41,502	(209,328)
6. Interest on (4) + (5) to start of next fiscal year	121,840	93,193
7. Actuarially Determined Contribution: (4) + (5) + (6)	2,111,067	1,614,704

Milliman Actuarial Valuation

**Section III - Development of Contribution
C. Long Range Forecast**

This forecast is based on the results of the July 1, 2017 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return 6.125% on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Values as of the Valuation Date				Cash Flows Projected to the Following Fiscal Year						
Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town		Employee		Net Cash Flows
						Contributions	Contributions	Contributions	Payments	
7/1/2017	\$68,299,217	\$71,379,280	(\$3,080,063)	104.5%	2019	\$1,614,704	\$752,773	(\$3,937,762)	(\$1,570,285)	
7/1/2018	71,035,000	75,928,000	(4,893,000)	106.9%	2020	1,305,000	801,000	(4,144,000)	(2,038,000)	
7/1/2019	73,622,000	78,881,000	(5,259,000)	107.1%	2021	1,111,000	846,000	(4,336,000)	(2,379,000)	
7/1/2020	76,063,000	81,925,000	(5,862,000)	107.7%	2022	896,000	820,000	(4,528,000)	(2,812,000)	
7/1/2021	78,372,000	85,626,000	(7,254,000)	109.3%	2023	695,000	793,000	(4,734,000)	(3,246,000)	
7/1/2022	80,537,000	87,973,000	(7,436,000)	109.2%	2024	591,000	766,000	(4,937,000)	(3,580,000)	
7/1/2023	82,550,000	90,015,000	(7,465,000)	109.0%	2025	492,000	738,000	(5,117,000)	(3,887,000)	
7/1/2024	84,384,000	91,839,000	(7,455,000)	108.8%	2026	396,000	708,000	(5,308,000)	(4,204,000)	
7/1/2025	86,067,000	93,457,000	(7,390,000)	108.6%	2027	287,000	674,000	(5,495,000)	(4,534,000)	
7/1/2026	87,564,000	94,848,000	(7,284,000)	108.3%	2028	176,000	636,000	(5,720,000)	(4,908,000)	
7/1/2027	88,856,000	95,985,000	(7,129,000)	108.0%	2029	48,000	598,000	(5,936,000)	(5,290,000)	
7/1/2028	89,879,000	96,806,000	(6,927,000)	107.7%	2030	0	559,000	(6,132,000)	(5,573,000)	
7/1/2029	90,640,000	97,283,000	(6,643,000)	107.3%	2031	0	522,000	(6,315,000)	(5,793,000)	
7/1/2030	91,132,000	97,498,000	(6,366,000)	107.0%	2032	0	487,000	(6,513,000)	(6,026,000)	
7/1/2031	91,371,000	97,500,000	(6,129,000)	106.7%	2033	0	449,000	(6,741,000)	(6,292,000)	
7/1/2032	91,322,000	97,261,000	(5,939,000)	106.5%	2034	0	414,000	(6,924,000)	(6,510,000)	
7/1/2033	90,934,000	96,734,000	(5,800,000)	106.4%	2035	0	382,000	(7,055,000)	(6,673,000)	
7/1/2034	90,238,000	95,949,000	(5,711,000)	106.3%	2036	0	355,000	(7,174,000)	(6,819,000)	
7/1/2035	89,295,000	94,948,000	(5,653,000)	106.3%	2037	0	332,000	(7,199,000)	(6,867,000)	
7/1/2036	88,104,000	93,736,000	(5,632,000)	106.4%	2038	0	311,000	(7,227,000)	(6,916,000)	

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

This work product was prepared solely for the Town for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

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
Amortization Method	Level percent
Amortization Period	Closed 25 years from July 1, 2011
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	6.125%
Projected Salary Increases	Service based scale
Amortization Growth Rate	3.000%
Inflation	2.750%
Cost-of-Living Adjustments	None.

Milliman Actuarial Valuation

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

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2011	2012-13	\$46,616,263	\$50,331,790	\$3,715,527	92.6%	\$15,077,809	24.6%
07/01/2012	2013-14	49,666,190	53,043,338	3,377,148	93.6%	14,938,949	22.6%
07/01/2013	2014-15	53,169,919	56,645,483	3,475,564	93.9%	16,035,031	21.7%
07/01/2014	2015-16	57,996,753	60,278,096	2,281,343	96.2%	15,392,017	14.8%
07/01/2015	2016-17	62,871,896	64,632,468	1,760,572	97.3%	15,833,087	11.1%
07/01/2016	2017-18	66,704,958	67,339,142	634,184	99.1%	16,199,690	3.9%
07/01/2017	2018-19	71,379,280	68,299,217	(3,080,063)	104.5%	15,940,230	-19.3%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the Actuarially Determined Contribution	(3) Contribution Deficiency/ (Excess) (1) - (2)	(4) Covered Payroll	(5) Contribution as a Percentage of Covered Payroll (2) / (4)
2010	\$1,051,966	\$771,320	\$280,646	\$15,018,198	5.1%
2011	1,619,892	1,650,000	(30,108)	14,775,146	11.2%
2012	1,762,414	2,000,000	(237,586)	15,077,809	13.3%
2013	2,024,016	2,024,016	0	14,938,949	13.5%
2014	2,090,487	2,234,564	(144,077)	16,035,031	13.9%
2015	2,262,664	2,241,723	20,941	15,392,017	14.6%
2016	2,099,055	2,099,055	0	15,770,855	13.3%
2017	2,117,516	1,943,110	174,406	16,147,630	12.0%
2018	2,111,067	TBD	TBD	TBD	TBD
2019	1,614,704	TBD	TBD	TBD	TBD

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, 2016	As of July 1, 2017
1. Value of Vested Benefits		
Active Members	\$24,216,164	\$22,555,742
Terminated Vested Members	901,204	1,437,695
Retired Members	28,183,696	31,602,313
Disabled Members	737,586	917,811
Beneficiaries of Deceased Members	<u>1,113,330</u>	<u>1,199,077</u>
Total Value of Vested Benefits	55,151,980	57,712,638
2. Value of Non-Vested Benefits	3,567,163	2,760,712
3. Total Value of Accrued Benefits: (1) + (2)	58,719,143	60,473,350
4. Market Value of Assets	64,996,463	73,503,424
5. Vested Funded Ratio: (4) / (1)	117.8%	127.4%
6. Accrued Funded Ratio: (4) / (3)	110.7%	121.5%

Section IV - Accounting Information
E. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2016-2017 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$3,493,714
Benefits Accumulated/(Forfeited)	2,576,320
Benefit Payments	(3,408,479)
Plan Amendments	(907,348)
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	1,754,207

Value of Accrued Plan Benefits:

July 1, 2017	\$60,473,350
July 1, 2016	58,719,143
Net Increase/(Decrease)	1,754,207

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, 2016	344	19	229	3	13	608
Terminated, due refund	(6)	6	-	-	-	0
Terminated, benefits due	(4)	4	-	-	-	0
Retired	(25)	-	25	-	-	0
Disabled	(1)	-	-	1	-	0
Died, with beneficiary	(1)	-	-	-	1	0
Died, no beneficiary	-	-	(6)	-	(1)	(7)
Paid refund	(14)	(5)	-	-	-	(19)
Net transfers	(6)	-	-	-	-	(6)
New member	52	-	-	-	-	52
New beneficiary	-	-	-	-	-	0
Correction	-	-	-	-	-	0
Count as of July 1, 2017	339	24	248	4	13	628

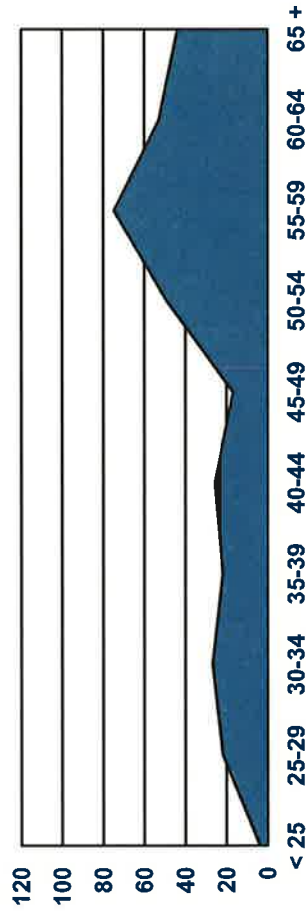
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2016	As of July 1, 2017
Active Members		
Number	344	339
Average Age	51.7	51.2
Average Service	11.5	11.2
Total Payroll	\$16,199,690	\$15,940,230
Average Payroll	47,092	47,021
Terminated Vested Members		
Number	19	24
Total Annual Benefit	\$116,600	\$174,173
Average Annual Benefit	6,137	7,257
Average Age	42.1	41.5
Retired Members		
Number	229	248
Total Annual Benefit	\$2,947,909	\$3,273,562
Average Annual Benefit	12,873	13,200
Average Age	74.6	74.3
Disabled Members		
Number	3	4
Total Annual Benefit	\$67,962	\$83,971
Average Annual Benefit	22,654	20,993
Average Age	55.7	58.5
Beneficiaries of Deceased Members		
Number	13	13
Total Annual Benefit	\$138,138	\$150,849
Average Annual Benefit	10,626	11,604
Average Age	78.7	78.4

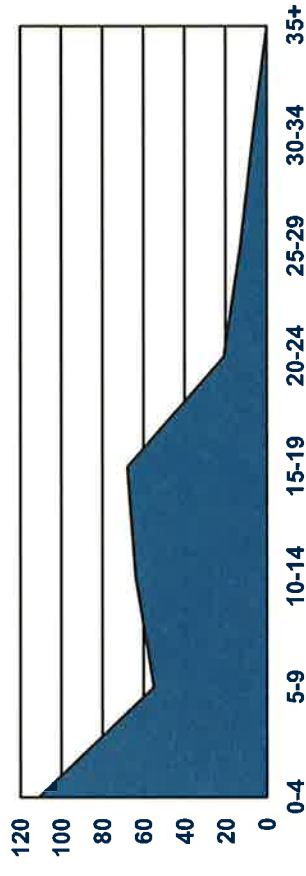
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2017 - Count

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total		
< 25	4	0	0	0	0	0	0	0	0	0	4
25-29	22	0	0	0	0	0	0	0	0	0	22
30-34	18	5	4	0	0	0	0	0	0	0	27
35-39	9	5	6	2	0	0	0	0	0	0	22
40-44	10	4	5	6	0	1	0	0	0	0	26
45-49	8	3	3	1	1	1	0	0	0	0	17
50-54	17	10	8	7	2	3	2	0	0	0	49
55-59	16	14	20	20	1	2	2	0	0	0	75
60-64	7	10	9	17	7	3	0	0	0	0	53
65 +	0	4	9	15	10	3	3	0	0	0	44
Total	111	55	64	68	21	13	7	0	0	0	339

Distribution By Age



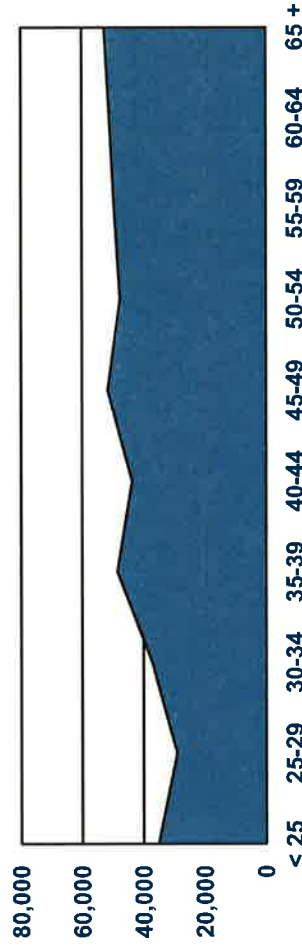
Distribution by Years of Service



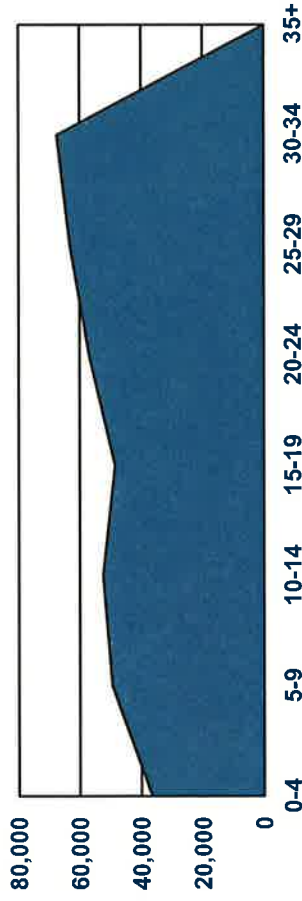
**Section V - Membership Data
D. Distribution of Active Members as of July 1, 2017 - Average Pay**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	35,109	0	0	0	0	0	0	0	0	0	35,109
25-29	29,068	0	0	0	0	0	0	0	0	0	29,068
30-34	33,378	43,877	46,255	0	0	0	0	0	0	0	37,230
35-39	42,678	45,314	57,421	56,714	0	0	0	0	0	0	48,574
40-44	38,125	48,716	60,560	37,325	0	34,276	0	0	0	0	43,736
45-49	44,383	55,393	58,599	49,848	74,983	56,450	0	0	0	0	51,666
50-54	34,729	50,825	59,762	43,422	52,189	77,279	59,469	0	0	0	47,670
55-59	41,865	48,900	47,263	54,379	75,003	53,937	70,437	0	0	0	49,480
60-64	43,122	52,252	48,688	52,015	49,506	70,387	0	0	0	0	51,029
65 +	0	50,175	54,359	42,701	59,565	60,190	70,977	0	0	0	52,718
Total	36,606	49,510	52,483	48,581	56,979	63,244	67,534	0	0	0	47,021

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2017

	Age	Number	Annual Benefits
Terminated Vested Members /	< 30	5	\$0
Members Due Refunds	30 - 39	5	28,487
	40 - 49	8	99,849
	50 - 59	5	45,837
	60 - 64	0	0
	65 +	1	0
	Total	24	174,173
Retired Members	< 50	2	\$63,144
	50 - 59	16	268,312
	60 - 69	67	1,010,921
	70 - 79	84	1,216,886
	80 - 89	61	616,005
	90 +	18	98,294
	Total	248	3,273,562
Disabled Retirees	< 50	0	\$0
	50 - 59	2	45,207
	60 - 69	2	38,764
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	4	83,971
Beneficiaries	< 50	0	\$0
	50 - 59	1	12,561
	60 - 69	3	34,722
	70 - 79	3	44,000
	80 - 89	2	26,406
	90 +	4	33,160
	Total	13	150,849

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**. 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 percentage of earnings 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 percent. Beginning on July 1, 2011, the amortization period is 25 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

The **Actuarial Value** is determined by recognizing asset gains and losses over **five** years.

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 6.125%

Amortization Growth Rate 3.000%

Salary Scale According to the following table:

Service	Rate
0-2	5.50%
3	5.30%
4	5.10%
5-7	4.75%
8-12	3.75%
13+	3.50%

Expenses None.

Mortality RP-2000 Mortality Tables for employees, healthy annuitants, and disabled annuitants, with generational projection of future mortality improvements per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.

Turnover 50% of Vaughn Select and Ultimate table:

Age	Service			
	1	2	3	4+
20	14.90%	12.50%	10.50%	9.30%
25	13.90%	11.25%	9.25%	6.80%
30	12.90%	10.00%	8.00%	5.05%
35	11.90%	8.90%	6.90%	3.95%
40	10.90%	7.90%	5.90%	3.25%
45	9.90%	7.05%	5.05%	2.75%
50	8.90%	6.30%	4.30%	2.25%
55	6.75%	4.75%	3.08%	1.54%
60	0.00%	0.00%	0.00%	0.00%

Appendix B - Actuarial Assumptions

Disability

50% of 1985 Pension Class 1 table:

Age	Male	Female
25	0.02%	0.02%
35	0.03%	0.07%
45	0.10%	0.16%
55	0.36%	0.48%
65	0.88%	0.68%

Rate of Retirement

Active members are assumed to retire according to the following table:

Age	First Eligible to Retire	Thereafter
<55	1%	1%
55	15%	1%
56-62	5%	5%
63-64	10%	10%
65-69	20%	20%
70-79	30%	30%
80	100%	100%

Terminated vested members are assumed to retire at their Normal Retirement Date.

Marital Status

80% of members are assumed to be married with wives 3 years younger than husbands.

Load for Unused Sick Days

The Accrued Liability and Total Normal Cost for active members are loaded by 1.50% to anticipate the trade of unused sick days for additional pension service.

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	Each municipal employee is eligible to participate as of the date the employee completes the probationary period provided the employee works 20 or more hours per week and 9 months or more per year. If hired at age 60, employee can opt out of plan.
Employee Contributions	Current: 4.5% of Compensation. Contributions are credited with 5% interest. Prior: 4% of Compensation.
Credited Service	Service from date of hire. May include Credited Service from another qualifying Town Plan. A twelve month period shall constitute a year of service for employees who regularly work 9 months or more but less than 12 months per year except for employees of the Westport School Lunch Program and employees covered by the Westport Paraprofessional Association Bargaining Agreement. Otherwise, 12 months of continuous employment will constitute a year of Credited Service. No credit for school cafeteria employees after July 1, 2003. Participants may trade unused sick days for additional pension service.
Compensation	Base Salary, excluding overtime pay, bonuses, gratuities, commissions, retainer fees, benefits, severance pay, allowance for expenses or other special remuneration paid, but including "pick-up" contributions.
Final Average Earnings	The greater of (1) the highest calendar year Compensation, or (2) Compensation earned during the last 12 months of Service.
Normal Retirement Date	Current: If the participant had reached Normal Retirement Date prior to July 14, 2017, the first day of the calendar month coincident with or next following the earliest of age 55 with 10 years of continuous Credited Service, or age 55 with 15 years of non-continuous Credited Service, or 25 years of Credited Service without regard to age. If the participant had not reached Normal Retirement Date prior to July 14, 2017, the first day of the calendar month coincident with or next following the earliest of age 65 with 10 years of continuous Credited Service, or age 65 with 15 years of non-continuous Credited Service, or age 55 with 25 years of continuous Credited Service, or age 55 with 30 years of non-continuous Credited Service. Prior: The first day of the calendar month coincident with or next following the earliest of age 55 with 10 years of continuous Credited Service, or age 55 with 15 years of non-continuous Credited Service, or 25 years of Credited Service without regard to age.

Appendix C - Summary of Plan Provisions

Normal Retirement Benefit	<p>Current: 2% of Final Average Compensation times completed years and months of Credited Service up to 20 years plus 2.25% of Final Average Compensation times completed years and months of Credited Service in excess of 20 years as of July 1, 2016 and 2.00% of Final Average Compensation times completed years and months of Credited Service in excess of 20 years after July 1, 2016. Maximum total benefit not to exceed 66% of Final Average Compensation.</p> <p>Prior: 2% of Final Average Compensation times completed years and months of Credited Service up to 20 years plus 2.25% of Final Average Compensation times completed years and months of Credited Service in excess of 20 years but not greater than 13 years.</p>
Early Retirement Date	None provided.
Disability Retirement	50% of Compensation immediately prior to disability, reduced by statutory and employer paid benefits, wages or salary, and Social Security benefits. The monthly disability benefit shall not exceed \$2,000. Benefits will commence 6 months after disability and are payable until the later of age 65, Normal Retirement Date, or the fifth anniversary of the commencement of disability payments. Credited Service continues to accrue.
Pre-retirement Death	<p>If the member is vested at the time of death, 50% of Final Average Compensation reduced by 1.5% for each year of Credited Service less than 25 years. If the member is survived by a spouse and the spouse is more than 5 years younger than the member, such benefit shall be reduced by $\frac{1}{6}\%$ for each month the beneficiary is more than 5 years younger. Benefits also continue to dependent children until age 21.</p> <p>If the member is not vested or has no surviving spouse or dependent children, a refund of accumulated employee contributions with interest will be paid to the member's estate.</p>
Normal Form of Payment	Single Life Annuity
Vesting	100% vested after completion of 10 years of continuous service or 15 years of non-continuous service.
Termination Benefit	If not vested at termination, member's accumulated employee contributions with interest will be paid.