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Town of Coventry Pension Plan

Actuarial Valuation Report
Cash Contribution Purposes
For the Fiscal Year beginning
July 1, 2012

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December 13, 2011

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Certification

This report presents the results of the July 1, 2011 Actuarial Valuation for the Town of Coventry Pension Plan (the Plan) for the purpose of estimating the funded status of the Plan and determining the Annual Required Contribution (ARC) for the fiscal year ending June 30, 2013. This report is intended to satisfy the requirements of Connecticut General Statute 7-450a. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Town, and on asset and contribution information provided by the Trustee, and the Town. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

The valuation report does not reflect any local ordinances, or other agreements, that require a minimum or maximum funding amount.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: 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 this report, an analysis of the potential range of such future measurements has not been performed.

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



Richard S. Sych, F.S.A., M.A.A.A., Enrolled Actuary
11-05065

December 13, 2011

Introduction

Purpose of the Valuation

The primary purpose of this valuation report is to furnish actuarial advice which will provide a sound basis for the determination of an appropriate contribution by the Town for the Plan for the current year.

The valuation report does not reflect any local ordinances, or other agreements, that require a minimum or maximum funding amount.

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses.

<i>Ultimate</i>	=	<i>Benefits</i>	+	<i>Expenses</i>	-	<i>Investment</i>
<i>Cost</i>		<i>Paid</i>		<i>Incurred</i>		<i>Return</i>

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, plus an amortization payment toward the unfunded past costs equals the total contribution for a particular plan year.

Information Available in the Valuation Report

The Executive Summary and Valuation Highlights emphasize the notable results of the valuation from the perspective of the Town. Supporting technical detail is documented in Valuation Exhibits and Actuarial Basis. A summary of the principal provisions of the Plan concludes the report.

Information needed as of June 30, 2012 under Governmental Accounting Standards Board Statement No. 25 and No. 27 will be presented in a separate report.

Executive Summary

Town Contribution for July 1, 2012 through June 30, 2013 Fiscal Year

The calculated contribution for the July 1, 2012 through June 30, 2013 fiscal year, payable by the Town for the pension plan, is disclosed in this report. Shown below are the components of the calculated contribution.

Town Contribution				
	Police	Board of Education	Town less Police	Total
Town Normal Cost	\$129,077	\$240,990	\$183,875	\$553,942
Payment on Unfunded	<u>129,447</u>	<u>193,430</u>	<u>202,207</u>	<u>525,084</u>
Total Town Contribution	\$258,524	\$434,420	\$386,082	\$1,079,026
Payroll	1,319,745	2,621,796	2,241,937	6,183,478
Percentage of Payroll	19.6%	16.6%	17.2%	17.5%
Est. Employee Contrib.	\$83,898	\$45,881	\$39,234	\$169,013

A breakdown of the Town Contribution by location can be found in Exhibit E.

The Town's overall Normal Cost (when taken alone) is 9.0% of payroll for all members.

The plan experienced losses on the Actuarial Value of assets which returned 4.5% compared to the 7.5% assumed which was offset by some liability gains.

Budget Estimate for July 1, 2013 through June 30, 2014

In the absence of any plan changes and/or major changes in plan demographics, the July 1, 2013 through June 30, 2014 fiscal year contribution for the Town is estimated to be about 17.5% of the July 1, 2012 payroll (19.6% for Police, 16.6% for Board of Education and 17.2% for all other groups).

Changes Reflected in the Valuation

There have been no changes in the plan, actuarial cost method or actuarial assumptions since the last valuation.

Valuation Highlights - Total Town and Police		
	July 1, 2011	July 1, 2010
Number of members		
Active	149	150
Terminated vested	24	21
Retired	<u>8</u>	<u>7</u>
Total	181	178
Total plan salaries	\$6,183,478	\$6,161,861
Average plan salary	41,500	41,079
Actuarial present value of future benefits	16,451,773	15,717,009
Total Actuarial asset value	7,449,103	6,286,971
Town Normal cost		
For dollar estimate	553,942	534,576
For percentage of payroll	9.0%	8.7%
Unfunded actuarial accrued liability	4,634,977	4,973,302
Annual amortization payment	525,084	563,412
Amortization period	15 years	15 years
Contributions		
Town contribution	1,079,026	1,097,988
Percentage of payroll	17.5%	17.8%
Estimated Employee Contributions*	169,013	168,252

**Please refer to the Plan Provisions section of this report for more detail.*

Participant Data

The data reported by the Plan Sponsor for this valuation includes 149 active employees who met the Plan's minimum age and service requirements as of July 1, 2011.

On the following page is a breakdown of data by location as of July 1, 2011.

Participant Data				
	Active	Terminated Vested	Retired	Total
Total Participants 7/1/2010	150	21	7	178
Adjustments	0	0	0	0
Terminations				
Vested	-6	+6	N/A	0
Non-vested without break	-2	0	N/A	-2
Deaths				
Without death benefit	0	0	0	0
With death benefit	0	0	0	0
New beneficiaries	N/A	0	0	0
Retirements (annuity)	0	-1	+1	0
Retirements (lump sum/purchases)	-1	-1	0	-2
Rehires	+1	-1	0	0
New entrants				
Through 6/30/2011	0	N/A	N/A	0
On 7/1/2011	<u>+7</u>	<u>N/A</u>	<u>N/A</u>	<u>+7</u>
Total Participants 7/1/2011	<u>149</u>	<u>24</u>	<u>8</u>	<u>181</u>
Total annual plan salaries				
7/1/2010	\$6,161,861			
7/1/2011	6,183,478			
Total annual benefits				
7/1/2010		\$131,494	\$47,433	
7/1/2011		149,331	49,772	

**Membership Data Reported by the Town as of July 1, 2012
By Location**

Input	Number of Members			Avg Age of Actives		Total Annual Plan Salaries	Average Plan Salary
	Active	Term Vested	Retired	Total	At Entry		
<i>Board of Education</i>							
Custodians	17	1	0	18	41	51.0	602,435
Para-Professionals	42	3	2	47	39	53.0	893,828
Nurses	4	0	0	4	37	51.8	163,166
Secretaries	23	3	4	30	38	51.1	741,799
Food Service	6	3	0	9	43	52.2	118,374
Others	2	2	0	4	48	55.0	102,194
Town Hall	11	5	2	18	40	47.6	549,316
Public Works	14	4	0	18	28	46.1	808,128
Non-Classified	5	1	0	6	41	52.2	415,876
Supervisors	7	0	0	7	40	50.4	468,617
Non-Uniformed Police	5	0	0	5	30	45.8	282,813
Sworn Officers	13	2	0	15	28	43.9	1,036,932
Grand Total	149	24	8	181	37	49.9	6,183,478
							41,500

Actuarial Balance Sheet

Total Plan

The key elements of the actuarial funding process are presented in the Actuarial Balance Sheet. The format of the balance sheet captures the essential purpose of an actuarial cost method — the determination of assets sufficient to provide for pension benefits. The valuation components presented below are for the Projected Unit Credit Actuarial Cost Method.

The actuarial present value of current and prospective plan benefits is the liability that must be balanced by current and prospective assets. The Unfunded Actuarial Accrued Liability is included with prospective assets because it is the present value of amortization payments that will be made for costs allocated to the past. The Present Value of Future Normal Cost Contributions is the balancing item. It represents the prospective assets from contributions that will be made for costs allocated to the future.

Actuarial Balance Sheet		
	July 1, 2011	July 1, 2010
Liabilities		
Actuarial present value of future benefits		
Active members	\$14,911,043	\$14,248,334
Terminated vested members*	992,101	933,769
Retired members and beneficiaries	<u>548,629</u>	<u>534,906</u>
Total	16,451,773	15,717,009
Assets		
Current valuation assets		
Actuarial value of assets	7,449,103	6,286,971
Prospective valuation assets		
Unfunded actuarial accrued liability	4,634,977	4,973,302
Present value of future Town normal cost contributions	3,385,169	3,445,899
Present value of future Employee normal cost contributions	<u>982,524</u>	<u>1,010,837</u>
Total	16,451,773	15,717,009

*Includes one employee on temporary layoff.

Development of Asset Values

Summary of Fund Activity		
	Market Value	Actuarial Value
1. Beginning value 7/1/2010		
a. Trust assets	\$ 5,771,717	\$ 6,286,971
b. Accrued contribution	0	0
c. Benefits payable	0	0
d. Administrative expenses payable	0	0
e. Net: (a)+(b)-(c)-(d)	5,771,717	6,286,971
2. Contributions		
a. Contributions during year	1,315,671	1,315,671
b. Change in accrued contribution	0	0
c. Total for plan year	1,315,671	1,315,671
3. Disbursements		
a. Benefit payments during year	454,640	454,640
b. Administrative expenses during year	16,699	16,699
c. Change in benefits payable	0	0
d. Change in administrative expenses payable	0	0
e. Total for plan year	471,339	471,339
4. Net investment return		
a. Earnings	1,314,240	N/A
b. Change in accrued income	0	N/A
c. Realized gain (loss)	0	N/A
d. Unrealized gain (loss)	0	N/A
e. Expected return	N/A	491,704
f. Recognized gain (loss)	N/A	(173,904)
g. Required adjustment due to corridor	N/A	0
h. Reversal of prior year required adjustment	N/A	0
i. Investment-related expenses	(30,748)	N/A
j. Total	1,283,492	317,800
5. Ending value 7/1/2011		
a. Trust assets: (1a)+(2a)-(3a)-(3b)+(4j)	7,899,541	7,449,103
b. Accrued contribution	0	0
c. Benefits payable	0	0
d. Administrative expenses payable	0	0
e. Net: (a)+(b)-(c)-(d)	7,899,541	7,449,103
6. Approximate rate of return 2010-2011	19.6%	4.5%

Development of Asset Values

Development of Actuarial Value of Assets

The Actuarial Value of assets is used in the determination of plan contributions. It phases in recognition of asset gains and losses. A method of smoothing is used because the Market Value can swing widely from one year to the next, resulting in undesirable fluctuations in pension contributions. The smoothing is accomplished by recognizing asset gains and losses over a four-year period at 25% per year.

Relationship of Actuarial Value to Market Value		
1. Market value 7/1/2011	\$	7,899,541
2. Gain / (loss) not recognized in actuarial value 7/1/2011		450,438
3. Preliminary actuarial value 7/1/2011: (1)-(2)		7,449,103
4. Preliminary actuarial value as a percentage of market value: (3)÷(1)		94.3%
5. Gain / (loss) recognized for corridor min/max		N/A
6. Actuarial value 7/1/2011 after corridor min/max: (3)+(5)		7,449,103
7. Actuarial value as a percentage of market value: (6)÷(1)		94.3%

Development of Asset Gain / (Loss) for 2010-2011 Plan Year		
1. Market value 7/1/2010	\$	5,771,717
2. Contributions		1,315,671
3. Benefit payments		454,640
4. Administrative expenses		16,699
5. Expected return at 7.50%		491,704
6. Expected value 7/1/2011: (1)+(2)-(3)-(4)+(5)		7,107,753
7. Market value 7/1/2011		7,899,541
8. Asset gain / (loss) for -1 Plan Year: (7)-(6)		791,788

Recognition of Gain / (Loss) in Actuarial Value					
	(a)	(b)	(c)	(d)	(e)
Year	Gain / (loss)	Recognized as of 7/1/2010	Recognized in current year: 25% of (a)	Total recognized as of 7/1/2011: (b)+(c)	Not recognized as of 7/1/2011: (a)-(d)
2007-2008	\$ (672,714)	\$ (504,537)	\$ (168,177)	\$ (672,714)	\$ 0
2008-2009	(1,055,781)	(527,890)	(263,945)	(791,835)	(263,946)
2009-2010	241,085	60,271	60,271	120,542	120,543
2010-2011	791,788	0	<u>197,947</u>	197,947	<u>593,841</u>
Total			(173,904)		450,438

Development of Normal Cost

The Normal Cost is the portion of the Actuarial Present Value of Future Benefits that a funding method allocates to the current plan year.

Under the Projected Unit Credit Actuarial Cost Method, the Normal Cost for plan benefits is the total of the individual Normal Costs for active participants. The cost method derives the Normal Cost for each active participant as the actuarial present value of the projected benefits that are attributed to expected service in the current plan year.

Normal Cost		
	July 1, 2011	July 1, 2010
1. Employer Normal cost end of year	\$523,942	\$504,576
2. Administrative expenses	30,000	30,000
3. Total normal cost: (1)+(2)	553,942	534,576
4. Plan salaries for employees under retirement age	6,183,478	6,161,861
5. Total normal cost as a percentage of plan salaries: (3)÷(4)	9.0%	8.7%

Town Contribution Levels for Year Beginning July 1, 2012

Based on the membership data and asset information provided to us we have calculated the Town's Annual Recommended Contribution for 2012-2013 as a percentage of payroll.

The calculations are based on the actuarial assumptions and on the plan's provisions outlined in the final section of this report.

	1	2	3	4	5	6	7
	Town Normal Cost	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	15 year Amortization of UAAL	Contribution for the Fiscal Year: 7/1/12 to 6/30/13 (1) + (5)	Town's Contribution as Percent of Pay
<i>Board of Education</i>							
Custodians	51,599	627,241	220,192	407,049	46,113	97,712	16.2%
Para-Professionals	87,220	1,624,404	1,141,006	483,398	54,763	141,983	15.9%
Nurses	14,596	261,180	197,573	63,607	7,206	21,802	13.4%
Secretaries	65,003	1,516,463	967,209	549,254	62,223	127,226	17.2%
Food Service	10,989	309,787	209,915	99,872	11,314	22,303	18.8%
Others	11,583	236,380	132,127	104,253	11,811	23,394	22.9%
<i>Total Board of Education</i>	<i>240,990</i>	<i>4,575,455</i>	<i>2,868,022</i>	<i>1,707,433</i>	<i>193,430</i>	<i>434,420</i>	<i>16.6%</i>
Town Hall	39,274	656,106	-48,062	704,168	79,773	119,047	21.7%
Public Works	52,524	1,481,753	1,055,865	425,888	48,248	100,772	12.5%
Non-Classified Supervisors	48,948	826,749	528,158	298,591	33,827	82,775	19.9%
Non-Uniformed Police	43,129	586,688	230,435	356,253	40,359	83,488	17.8%
Sworn Officers	11,840	424,421	239,594	184,827	20,939	32,779	11.6%
	117,237	3,532,908	2,575,091	957,817	108,508	225,745	21.8%
<i>Total Town less BOE</i>	<i>312,952</i>	<i>7,508,625</i>	<i>4,581,081</i>	<i>2,927,544</i>	<i>331,654</i>	<i>644,606</i>	<i>18.1%</i>
Grand Total	553,942	12,084,080	7,449,103	4,634,977	525,084	1,079,026	17.5%

Funded status

Actuarial Accrued Liability 12,084,080
 Actuarial Value of Assets 7,449,103
 Funded Status 62%

Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in asset gains and losses. Asset gains and losses are recognized over a four-year period a 25% per year.

The asset gain or loss is determined by comparing the current year fair value of assets to the expected fair value of assets. The expected fair value of assets is determined by applying the prior year's expected return on assets to the prior year fair value of assets, plus contributions less distributions. The Actuarial Value is limited to be within 80% to 120% of Market Value.

Actuarial Cost Method

1. Basic cost method: Projected Unit Credit Actuarial Cost Method. The allocation of projected benefit between past years and future years is in proportion to the applicable rates of benefit accrual under the Plan.
2. The effects of increases since the last valuation in the IRC Sec. 415 dollar limitation on benefits and the IRS Sec. 401(a)(17) limitation on compensation are treated as part of the actuarial gain (loss).

Amortization Method

The unfunded (over-funded) actuarial accrued liability as of the valuation date is amortized over a fifteen-year period.

Mortality

Pre-retirement RP-2000 combined table projected ten years from valuation date.

Post-retirement IRC 417(e) applicable mortality (IRS Revenue Ruling 2007-67).

Termination prior to retirement

Males: Travelers Turnover Schedule C.
Females: Travelers Turnover Schedule C.

Sample male rates: Sample female rates:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	20.00%	20	30.00%
25	13.00	25	13.00
30	9.00	30	9.00
35	6.00	35	6.00
40	4.00	40	4.00
45	3.00	45	3.00
50	2.00	50	2.00
55	1.00	55	2.00
60	0.00	60	1.00
65	0.00	65	0.00

Administrative expenses

The normal cost for benefits is increased by an estimate of the administrative expenses for the upcoming year.

General Outline of Plan Provisions

This summary is being provided for valuation purposes only. This summary outlines the major features of the Plan. It does not give full details or cover all aspects of the Plan. The actual terms and conditions of the Plan are stated in the formal Plan document and any applicable collective bargaining agreement.

	Non-Org	Supvr	Town Union	Police			Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non-Uniformed	Public Works						
Plan Year: July 1												
Effective Date												
Original: 7/1/1969												
Latest resolution	7/1/2003	7/1/2003	7/1/2001	7/1/2007	7/1/2007	7/1/2003	1/4/2002	7/1/2003	7/1/2003	7/1/2003	7/1/2003	7/1/2003
Participation												
<ul style="list-style-type: none"> Participate at hire (if scheduled for at least 20 hours per week and at least 5 months per year) 				✓								
<ul style="list-style-type: none"> Participate on the July 1 coinciding with or following attainment of age 21 and completion of 2 years of continuous service (if scheduled for at least 20 hours per week and at least 5 months per year) 	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓
<ul style="list-style-type: none"> Employees hired after 2/12/2008 will not participate in the pension plan. 					✓							
<ul style="list-style-type: none"> Employee contributions are required 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Plan Provisions
continued

Required Employee Contributions	Non-Org	Supvr	Town Union	Police			Public Works	Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non-Uniformed								
Schedule 1													
7/1/99 - 6/30/01 = 3%				✓									
7/1/01 - 6/30/02 = 4%				✓									
7/1/02 to 7/1/07 = 4.5%				✓									
2/12/08 - 6/30/08 = 5.5%				✓									
7/1/08 - 6/30/09 = 6.5%				✓									
7/1/09 and after = 7.0%				✓									
Schedule 2													
7/1/02 - 6/30/03 = 0.75%			✓						✓				
7/1/03 - 6/30/04 = 1%	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓
7/1/04 - 6/30/05 = 1.25%	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓
7/1/05 - 6/30/06 = 1.5%	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓
7/1/06 and after = 1.75%	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓
Schedule 3													
02/12/08 - 6/30/08 = 1%					✓								
7/1/08 - 6/30/09 = 2%					✓								
7/1/09 - 6/30/10 = 3%					✓								
7/1/10 and after = 4%					✓								

Plan Provisions
continued

	Non- Org	Supvr	Town Union	Police			Public Works	Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non- Uniformed								
Monthly Earnings													
Monthly salary paid during any plan year, including college incentives, regular overtime, holiday pay and longevity pay; excluding special duty wages.				✓									
Monthly salary paid during plan year, including overtime and longevity pay, excluding bonuses, and amounts identified as payment toward business expenses.	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Average Monthly Earnings (AME)													
1. Average of the highest 5 completed plan years. Maximum overtime pay is capped at 19% of base salary.						12% cap prior to 7/1/07 ✓							
2. Average of the highest 5 consecutive plan years (or portions of) during employment.	✓	✓	✓		✓								✓
Accrued Benefit													
1. 2% of AME times Credited Service prior to 7/1/88 plus 2.25% of AME times Credited Service after 7/1/88. Max ben = 70% of AME.						eff. 7/1/99							
1 (a). 1.5% of AME times Credited Service (New Sworn Officers only)						hired on or > 2/12/08							

Plan Provisions
continued

	Police										Other (BOE)	
	Non-Org	Supvr	Town Union	Sworn	Non-Uniformed	Public Works	Custodians	Paraprof	Nurses	Secretaries		Cafeteria
2. 1.25% of AME times Cred Serv.										eff. 7/1/98		
3. 1% of AME times CPS plus 1.25% of AME times CCS to 1/1/90, plus 1.5% of AME times CCS on or after 1/1/90	eff. 7/1/03	eff. 7/1/03	eff. 7/1/02					eff. 1/4/02	eff. 7/1/03	eff. 7/1/03	eff. 7/1/03	eff. 7/1/03
4. 1% of AME times CPS plus 1.25% of AME times CCS.	prior to 7/1/03	prior to 7/1/03	prior to 7/1/02					prior to 1/4/02	prior to 7/1/03	prior to 7/1/03	prior to 7/1/03	
5. 1% of AME times CPS plus 1.25% of AME times CCS. Credited Service maximum is 40 years.					✓							
Normal Retirement Date												
1. Later of age 62 and 10 years of continuous service.	new retirees >7/1/03	new retirees >7/1/03	new retirees >7/1/03		prior to 7/1/07	new retirees >7/1/03		Terms > 6/30/02	Terms > 6/30/03	Terms > 6/30/02	Terms > 6/30/03	Terms > 6/30/03
2. Rule of 85: Age plus service equals 85.					eff. 7/1/07							
3. Age 45, 20 years of continuous service.				retirees >7/1/07								
4. Earlier of age 62, or age 55 with 25 years of continuous service.	retirees 7/1/96 to 7/1/03	retirees 9/1/91 to 7/1/03										
5. Later of age 65, or completion of 10 years of continuous service, max age 70.					prior to 7/1/99							prior to 7/1/03

Plan Provisions
continued

	Non- Org	Supvr	Town Union	Police			Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non- Uniformed	Public Works						
Early Retirement Date												
Eligibility: The first day of the month following the later of age 55 and 10 years of continuous service.	✓	✓	✓	None	✓	✓	✓	✓	✓	✓	✓	✓
Early retirement reduction factors:												
4% per year	eff. 7/1/03	eff. 7/1/03	✓		✓	eff. 7/1/03	eff. 7/1/02	eff. 7/1/03	eff. 7/1/03	eff. 7/1/03	eff. 7/1/03	eff. 7/1/03
6% per year					✓							
Late Retirement Date												
Greater of actual accrued benefit as of date of actual retirement or actuarial equivalent of the benefit payable as of the end of the preceding plan year.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Termination prior to retirement												
Vesting												
1. 100% after 5 years of continuous service	eff. 7/1/04			eff. 7/1/93								
2. 100% after 10 years of continuous service	prior to 7/1/04	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓

Plan Provisions
continued

Benefit	Non-Org	Supvr	Town Union	Police			Public Works	Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non-Uniformed								
Vested portion of accrued benefit as of date of termination, first payable upon normal retirement eligibility. Earlier benefit commencement may be elected, subject to early retirement eligibility and reduction factors.	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓
Death prior to Retirement													
Eligibility													
Must be eligible for early retirement	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓
Benefit													
Surviving spouse's benefit is 50% of the benefit that would have been payable to the participant if the participant had: (1) terminated immediately before death, (2) elected to retire, and (3) elected a 50% joint and survivor annuity. The surviving spouse's benefit is payable on the first day of the month coinciding with or next following the participant's death.	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓

	Non-Org	Supvr	Town Union	Police			Public Works	Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non-Uniformed								
Disability - Eligibility													
1. Completion of 10 years of continuous service			✓										
2. Completion of 10 years of continuous service and age 50.	✓	✓			✓		✓	✓	✓	✓	✓	✓	✓
Disability - Benefit													
Actuarial equivalent of the monthly accrued benefit as of the date that disability commenced. This benefit is payable the first day of the sixth month following disability, and can be taken in a lump sum. Police employees hired after 7/1/1999 are not eligible to take a lump sum.													
Form of Benefit													
Normal Form													
Life Annuity	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓
Optional Forms													
50%, 75% or 100% contingent annuity options, life annuity guaranteed for the first 10 years or lump sum payment.													
Lump Sum Option: A lump sum is payable except for new hires after this date.*	7/1/2003	6/3/2003	7/1/2001	7/1/1999	7/1/1999		6/3/2003	12/6/99	1/4/2002	6/3/2003	12/6/1999	6/3/2003	6/3/2003

Police employees hired prior to 7/1/1999 may receive a lump sum option at retirement. The lump sum amount shall be reduced by the following schedule:

- 1% for Police employees separating from service during the Plan Year ended 6/30/2000
- 2% for Police employees separating from service during the Plan Year ended 6/30/2001
- 3% for Police employees separating from service during the Plan Year ended 6/30/2002
- 4% for Police employees separating from service during the Plan Year ending after 6/30/2002

Plan Provisions
continued

	Non- Org	Supvr	Town Union	Police		Public Works	Custodians	Paraprof	Nurses	Secretaries	Cafeteria	Other (BOE)
				Sworn	Non- Uniformed							
Actuarial Equivalence												
Optional Forms	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Interest: 8%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mortality: UP-94 Male Mortality Table	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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