Public Act 530 of 2016 - Compliance Guide
Pension
As of December 31, 2016

Sec. 13 (1) (d)	Item	Information and Location
(i)	Name of System	City of Burton, Michigan
(ii)	Names of Investment Fiduciaries	MERS of Michigan
(iii)	Systems service providers	MERS of Michigan, CBIZ Retirement Plan Services (actuary)
(iv)	System's assets and liabilities/changes	Assets: $18,981,696; Liabilities $32,136,532; Change in net plan assets was an increase of $513,015 or a 2.78% increase
(v)	System's funded ratio	43.30%
(vi)	Investment performance	Investment performance net of fees: 1 year: 10.85% 3 years: 5.32% 5 years: 8.30% 7 years: 8.18% 10 years: 5.11%
(vii)	System admin & invest expenses	At December 31, 2016, the cost of the Defined Benefit Plan was 0.39% (0.21% for administration and 0.18% for investments)
(viii)	System's budget	Not applicable to the local government
(ix)		
(A)	Number of actives	85
(B)	Number of retirees/beneficiaries	87
(C)	The average annual retirement allowance	$37,036.16
(D)	Total annual retirement allowance	$3,222,146.00
(E)	Valuation payroll for active employees	$4,841,511.00
(F)	Normal cost and/or percentage	$230,808.00
(G)	Total computed employer contribution	$2,363,388.00
(H)	Weighted average member contribution	$5,439.52
(I)	Actuarial investment return	7.75%
(J)	Actuarial long term inflaction rate	3.75%
(K)	Smoothing method	5 years
(L)	Amortization method	Level percent of payroll, open
(M)	Actuarial cost method	Entry Age Normal Method
(N)	Open or closed membership	Division 02 is closed; All other divisions are open.
(O)	Health care inflation	Not applicable for pension
(X)	Travel report	Not applicable to local governments within MERS

Sec 20h (1)	Item	Information and Location
7	If below 60% funded, actions taken to reduce the system's UAL	**MERS adheres to the following fiscal best practices:** Conducts an Experience Study every five years to ensure assumptions match actual experience and make adjustments where necessary Use a fixed Amortization period MERS implements checks and balances to eliminate unexpected pension spikes. Actuarial loads are applied to groups that have demonstrated a history of Final Average Compensation increases. UAL amortizaiton schedule is on trac to be paid off in 23 years. **Other actions City of Burton has taken include:** Lower benefit offered to new hires Bridged Benefits for existing employees Defined Contribution Plan for new hires Cost sharing for existing employees Additional contributions above the Annual Required Contribution Voluntary contributions of $1M each calendar year beginning in December 2014