

TOWN OF WEST WARWICK, RI

TOWN OF WEST  
WARWICK PENSION FUND

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FUNDING IMPROVEMENT PLAN

5/29/2014

## **Executive Summary**

In accordance with Rhode Island General Laws, Section 45-65-6, the Town is submitting this Funding Improvement Plan (Plan) to the Locally-Administered Pension Plans Study Commission. The Town had completed an actuarial valuation as of July 1, 2013. In addition, the Town had completed an experience study in March of 2012. Based on the 2013 actuarial valuation results, the funded status of the town's pension system is 17.1% and therefore, considered in critical status.

In the pages that follow we will describe our plan for increasing this ratio to the point that the plan is no longer considered in critical status. This will be accomplished through increased funding and negotiating pension benefit reductions with both active and retired members of the retirement system. The Town's goal is to emerge from critical status within 20 years. The proposed benefit changes outlined in this improvement plan are Town proposals, and are subject to collective bargaining. Many of these negotiations have reached the stage of drafting Memorandums of Understanding (MOU) between the Town and the affected parties.

This funding improvement plan includes future funding projections (prepared by Nyhart, the Town's actuary) for both the current plan without changes and the proposed plan.

## **Current Funding**

The Town has accepted the recommendations of our actuary for modifications to the actuarial assumptions. Based on these results, the actuary is recommending a fiscal year 2014 pension contribution of \$10,322,474. The Town anticipates contributing \$6,000,000 to the pension plan for fiscal year 2014, or 58.1% of the recommended contribution. This also represents 7% of the total revenue budgeted for the year. For fiscal year 2013, the Town contributed 57.2% of the recommended contribution.

## **Future Funding**

The Plan is to increase the funding of the system to 100.0% of the Annual Required Contribution ("ARC") for fiscal years 2015 - 2019. Beginning in fiscal year 2020, contributions will increase to 100.5% of the ARC. The projected contribution as a percentage of budgeted revenue increases from 6.98% to 9.16% from fiscal year 2014 to fiscal year 2015. Note that the planned contribution was increased from 100.0% to 100.5% of the ARC starting in fiscal year 2020 in order to meet the requirement of emerging from critical status by fiscal year ending June 30, 2033. Exhibit B shows the details of this forecast. Note that Exhibit D shows a forecast with the Town contributing 100.0% of the ARC for all years. In this forecast, the plan emerges from critical status in fiscal year ending June 30, 2034, one year after the state requirement. The amortization is being reset as of July 1, 2014 to a 25-year level percent of pay amortization. This is a closed period amortization and payments will increase by 3.50% annually to reflect anticipated pay increases.

Exhibit A shows the forecast of key values based on the actuarial assumptions adopted and new participants entering the plan to replace those terminating and retiring. This forecast reflects the current benefit provisions for the defined benefit plan.

Exhibit B shows the forecast of key values based on a revised set of plan provisions as described in the next section and the new Funding Policy.

Exhibit C shows the same forecast as Exhibit B except the asset return has been reduced by 0.5%.

Exhibit D shows the same forecast as Exhibit B except the Funding Policy has been changed to 100.0% of the ARC for all years. This exhibit is shown for illustration purposes only and is not intended to be the funding policy that the Town will follow.

## **Plan Changes**

Listed below is a summary of the employee groups covered by the plan and the changes that are applicable to each group. In addition to the changes listed below, the unfunded liability is re-amortized as of July 1, 2014 based on a 25-year level percent of pay closed amortization with payments increasing at 3.50% per year.

### ***I. Active Employees***

#### ***A. Local 1104, International Association of Firefighters AFL-CIO***

- 1) **Retirement Eligibility** – Currently, a participant hired prior to 7/1/2011 is eligible to retire at the earlier of age 62.5 or 20 years of service. A participant hired on or after 7/1/2011 is eligible to retire at the earlier of age 62.5 or age 50 with 20 years of service with benefits not commencing until the 23-year anniversary of plan membership. The retirement eligibility is going to change such that “Fire” members hired prior to 7/1/2014 can retire at age 62 or age 50 with 25 years of service. “Fire” members hired on or after 7/1/2014 can retire at age 62 or age 55 with 25 years of service. “Civilian” members, regardless of hire date, can retire at age 60 with 10 years of service. The 23-year anniversary requirement has been removed for all members of this union. Four “Fire” members are exempt from the retirement eligibility changes described.
- 2) **Benefit Earned** – Currently, members earn 2.5% of Average Pay for each year of service up to a maximum benefit of 70% of Average Pay which is reached at 28 years of service. The benefit formula is changing to 2.2% of Average Pay for each of the first 25 years of service and 3.0% of Average Pay for up to 5 additional years with a maximum benefit of 70% of Average Pay. This formula change applies to both past and future service.
- 3) **Average Pay** – Currently, pay is averaged over the final 12 months of employment. Average Pay is changing to the average of the highest 3 years.
- 4) **COLA** – Currently, members who retire receive a 2.25% compounded COLA for the first 15 years of retirement. For “Fire” members, the COLA will be suspended for the first 7 years of retirement (or until age 62.5, if earlier) followed by 15 years of a simple 2.25% COLA. For “Civilian” members, the COLA will be suspended for the first 7 years of retirement (or until age 67, if earlier) followed by 15 years of a simple 2.25% COLA.

- 5) **Employee Contribution Rate** – Currently, members hired prior to 7/1/2011 contribute 9.0% of compensation stopping after 28 years of service. Members hired on or after 7/1/2011 contribute 9.0% of compensation stopping after 30 years of service. Effective 1/1/2014, the contribution rate will increase to 11% of compensation, followed by increases to 12% on 7/1/2014 and 13% on 7/1/2015; the contribution rate remains at 13% of compensation after 7/1/2015. Contributions will continue for all years of service.
  
- 6) **Basic Annual Salary** – Defined as including annual salary, longevity pay, holiday pay and EMT pay.
  - For benefit purposes, this is no change.
  - Employees will begin contributing on all components of Basic Annual Salary. Previously, employees did not contribute on EMT pay.
  - Note that this impacts the three individuals who were members of the collective bargaining unit as of 9/1/2011 who have become occupationally disabled by altering pay used for benefits.
  
- 7) **Occupational Disability** – Currently, members receive 2/3 of pay with annual increases equal to the percentage increase in pay of active employees in the position held at time of disability retirement. Going forward, members who become occupationally disabled prior to 25 years of service will receive 2/3 of pay until the 25<sup>th</sup> anniversary since date of hire. At that time, the benefit will be adjusted to 55% of present pay received by active employees in the position held at time of disability retirement. Members who become occupationally disabled after 25 years will receive 2/3 of pay for their lifetime. The regular retirement COLA will apply in lieu of the current escalation in active pay increases.
  
- 8) **Non-Occupational Disability** – Currently, members receive their accrued normal retirement benefit with a minimum of 50% of pay. Going forward, members who become disabled prior to 10 years will receive 25% of pay. Members who become disabled after 10 years will receive 25% of pay plus 2.2% each year between 10 and 25 plus 3.0% for each year between 25 and 30 years; accruals cease at 30 years.

***B. International Brotherhood of Police Officers Local 312***

- 1) **Benefit Earned** – Currently, members hired prior to 7/1/2011 receive 2.5% of Average Pay for each year of service up to 28 years with a maximum benefit of 70% of Average Pay at 28 years. Members hired on or after 7/1/2011 receive 2.5% of Average Pay for up to 20 years of service plus 2.0% of Average Pay for up to 10 additional years with a maximum of 70% of Average Pay at 30 years of service. The benefit formula will not be changed for members who have 20 years of service as of 6/30/2014. For all others, the benefit formula changes to 2.5% of Average Pay for the first 20 years of service plus 1.0% of Average Pay for the next 5 years of service plus 2.5% of Average Pay for up to 6

additional years of service. Therefore, the maximum benefit of 70% of Average Pay is attained at 31 years of service.

- 2) **Retirement Age** – Currently, a participant hired prior to 7/1/2011 is eligible to retire at the earlier of age 62 or 20 years of service. A participant hired on or after 7/1/2011 is eligible to retire at the earlier of age 62 or age 50 with 25 years of service. The retirement eligibility is going to change such that members hired prior to 7/1/2014 can retire at age 62 or 20 years of service. Members hired on or after 7/1/2014 can retire at age 62 or age 50 with 20 years of service.
- 3) **Employee Contribution Rate** – Currently, members contribute 9.0% of compensation stopping after 28 years of service. Effective 1/1/2014, the contribute rate will increase to 10% of compensation, followed by increases to 11% on 7/1/2014 and 12% on 7/1/2015; the contribution rate remains at 12% of compensation after 7/1/2015. Contributions will continue for all years of service.
- 4) **COLA** – Currently, members who retire receive a 2.25% compounded COLA for the first 15 years of retirement. The COLA will be suspended for the first 7 years of retirement followed by 15 years of a compounded 2.25% COLA.
- 5) **Occupational Disability** – Currently, members receive 2/3 of pay with annual increases equal to the percentage increase in pay of active employees in the position held at time of disability retirement. Going forward, members who remain fully disabled at normal retirement age continue to receive the 2/3 of pay benefit. However, if the member is not “fully disabled” at normal retirement age, the benefit is adjusted to the member’s accrued benefit under the normal retirement benefit formula. The standard retirement COLA will apply to this portion of the benefit.

**C. *Municipal Union, School (Council 94), Library***

- 1) **Retirement Age** – Currently, members can retire at the earlier of age 60 with 10 years of service or 25 years of service regardless of age. The retirement eligibility is going to change such that members hired prior to 7/1/2014 can retire at the earlier of age 62 with 12 years of service or 25 years of service regardless of age. Members hired on or after 7/1/2014 can retire at the earlier of age 62 with 12 years of service or age 55 with 25 years of service.
- 2) **Benefit Earned** – Currently, members receive 2.5% of Average Pay for each year of service. The benefit formula will be changed such that members will earn 2.4% of Average Pay for each year of service after 7/1/2014. Service prior to 7/1/2014 remains at the 2.5% level.
- 3) **Average Pay** – Currently, pay is averaged over the final 12 months of employment. Average Pay is changing to the average of the highest 10 years.

- 4) **COLA** – Currently, members who retire receive a 2.25% compounded COLA for the first 15 years of retirement. The COLA will be suspended for the first 5 years of retirement followed by 15 years of a compounded 2.00% COLA.
- 5) **Employee Contribution Rate** – Currently, members contribute 9.0% of compensation for all years of service. Effective 7/1/2014, the contribute rate will increase to 11.0% of compensation.

#### ***D. Municipal Non-Union***

- 1) **Retirement Age** – Currently, members can retire at the earlier of age 60 with 10 years of service or 25 years of service regardless of age. The retirement eligibility is going to change such that members hired prior to 7/1/2014 can retire at the earlier of age 62 with 12 years of service or 25 years of service regardless of age. Members hired on or after 7/1/2014 can retire at the earlier of age 62 with 12 years of service or age 55 with 25 years of service.
- 2) **Benefit Earned** – Currently, members receive 2.5% of Average Pay for each year of service. The benefit formula will be changed such that members will earn 2.4% of Average Pay for each year of service after 7/1/2014. Service prior to 7/1/2014 remains at the 2.5% level.
- 3) **Average Pay** – Currently, pay is averaged over the final 12 months of employment. Average Pay is changing to the average of the highest 3 years.
- 4) **COLA** – Currently, members who retire receive a 2.25% compounded COLA for the first 15 years of retirement. The COLA will be suspended for the first 5 years of retirement followed by 15 years of a compounded 2.00% COLA.
- 5) **Employee Contribution Rate** – Currently, members contribute 9.0% of compensation for all years of service. Effective 7/1/2014, the contribute rate will increase to 11.0% of compensation.

## ***II. Inactive Participants***

### ***A. Retirees and Deferred Vesteds***

- 1) **COLA** – Currently, members receive a 2.25% compounded COLA for up to 15 years depending on when they retired. The COLA will be suspended for the next 5 years (2014-2018). After the delay, COLA resumes for members who have remaining COLA increases. For example, a member who retired June 1, 2007 has received 6 COLA increases as of July 1, 2013. This individual would not receive a COLA for the next 5

years. Beginning, July 1, 2019, the individual begins to receive his remaining 9 COLA increases.

**B. Disabled (Police & Fire)**

- 1) **Benefit Amount** – Currently, members receive 2/3 of base pay received by an active member holding the same rank. Going forward, longevity pay will be included in the benefit amount. Holiday pay and EMT pay will also be included for individuals who were members of the collective bargaining unit as of September 1, 2011.
  
- 2) **COLA Adjustment** – Currently, members receive a benefit increase equal to the percentage increase in pay of the same rank member for lifetime. Effective 7/1/2014, members receive no COLA increases for the next 5 years. Beginning 7/1/2019, members receive a 2.0% compounded COLA for 5 years. Beginning 7/1/2024, members receive a 3.0% compounded COLA for 5 years. After the 7/1/2028 increase, members will receive no additional COLA increases.

Our actuary has estimated that these modifications will substantially reduce the costs and liabilities of the plan. Their estimates are as follows for fiscal year 2014-2015:

|                                    | Current Plan Provisions | Proposed Plan Provisions |
|------------------------------------|-------------------------|--------------------------|
| Accrued Liability                  | \$157,018,467           | \$143,780,118            |
| Actuarial Value of Assets          | \$26,935,051            | \$26,935,051             |
| Market Value of Assets             | \$26,717,502            | \$26,717,502             |
| Unfunded Accrued Liability         | \$130,083,416           | \$116,845,067            |
| Funded Ratio                       | 17.2%                   | 18.7%                    |
| Annual Required Contribution (ARC) | \$10,740,937            | \$8,061,234              |
| Town Contributions                 | \$10,740,937            | \$8,061,234              |
| % of Arc Contributed               | 100.0%                  | 100.0%                   |

## Town of West Warwick Pension Plan

### Exhibit A: Current Forecast of Actuarial Valuation Results, adopted Actuarial Assumptions, prior to Benefit Changes

| Fiscal Year Ending | Payment against the ARC | Expected Employee Contributions | Employer Normal Cost | Amortization | Employer ARC | Employer Contribution | Increase | Payroll    | Employer Contribution as a % of Payroll | Benefit Payments | Actuarial Value of Assets (AVA) | Accrued Liability | Unfunded Liability | Funded Ratio (AVA) | Revenue Forecast | Contribution as a % of Revenue |
|--------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|-----------------------|----------|------------|---|------------------|---------------------------------|-------------------|--------------------|--------------------|------------------|--------------------------------|
| 6/30/2014          | 58.1%                   | 1,193,627                       | 1,622,075            | 8,333,803    | 10,322,474   | 6,000,000             | 13.2%    | 13,956,327 | 43.0%                                   | 9,012,391        | 26,428,505                      | 154,588,604       | 128,160,099        | 17.1%              | 85,933,193       | 6.98%                          |
| 6/30/2015          | 100.0%                  | 1,206,985                       | 1,661,752            | 8,697,727    | 10,740,937   | 10,740,937            | 79.0%    | 14,263,346 | 75.3%                                   | 9,057,605        | 26,935,051                      | 157,018,467       | 130,083,416        | 17.2%              | 88,404,641       | 12.15%                         |
| 6/30/2016          | 100.0%                  | 1,206,889                       | 1,712,758            | 9,028,454    | 11,136,725   | 11,136,725            | 3.7%     | 14,563,811 | 76.5%                                   | 9,462,532        | 32,177,061                      | 163,099,690       | 130,922,629        | 19.7%              | 90,763,215       | 12.27%                         |
| 6/30/2017          | 100.0%                  | 1,224,102                       | 1,710,720            | 9,415,783    | 11,536,204   | 11,536,204            | 3.6%     | 14,772,064 | 78.1%                                   | 9,882,574        | 37,071,655                      | 169,282,063       | 132,210,408        | 21.9%              | 92,591,075       | 12.46%                         |
| 6/30/2018          | 100.0%                  | 1,238,062                       | 1,736,346            | 9,776,845    | 11,937,130   | 11,937,130            | 3.5%     | 15,038,132 | 79.4%                                   | 10,300,662       | 42,998,602                      | 175,521,479       | 132,522,877        | 24.5%              | 94,547,830       | 12.63%                         |
| 6/30/2019          | 100.0%                  | 1,281,096                       | 1,760,893            | 10,147,075   | 12,346,444   | 12,346,444            | 3.4%     | 15,489,572 | 79.7%                                   | 10,704,632       | 49,251,140                      | 181,664,681       | 132,413,541        | 27.1%              | 96,450,290       | 12.80%                         |
| 6/30/2020          | 100.0%                  | 1,307,645                       | 1,843,807            | 10,529,657   | 12,829,081   | 12,829,081            | 3.9%     | 15,975,178 | 80.3%                                   | 11,223,755       | 56,024,421                      | 187,912,453       | 131,888,032        | 29.8%              | 98,388,173       | 13.04%                         |
| 6/30/2021          | 100.0%                  | 1,323,694                       | 1,895,057            | 10,924,678   | 13,291,784   | 13,291,784            | 3.6%     | 16,420,425 | 80.9%                                   | 11,891,341       | 63,296,408                      | 194,192,586       | 130,896,178        | 32.6%              | 100,347,623      | 13.25%                         |
| 6/30/2022          | 100.0%                  | 1,383,406                       | 1,915,438            | 11,332,500   | 13,735,754   | 13,735,754            | 3.3%     | 16,775,391 | 81.9%                                   | 12,387,924       | 70,918,620                      | 200,307,022       | 129,388,402        | 35.4%              | 102,096,981      | 13.45%                         |
| 6/30/2023          | 100.0%                  | 1,412,904                       | 1,984,098            | 11,754,391   | 14,244,369   | 14,244,369            | 3.7%     | 17,292,744 | 82.4%                                   | 12,936,389       | 79,122,138                      | 206,447,927       | 127,325,789        | 38.3%              | 103,576,034      | 13.75%                         |
| 6/30/2024          | 100.0%                  | 1,465,931                       | 2,035,301            | 12,191,389   | 14,750,546   | 14,750,546            | 3.6%     | 17,825,902 | 82.7%                                   | 13,405,811       | 87,931,313                      | 212,591,842       | 124,660,529        | 41.4%              | 105,247,787      | 14.02%                         |
| 6/30/2025          | 100.0%                  | 1,495,368                       | 2,120,529            | 12,642,190   | 15,306,312   | 15,306,312            | 3.8%     | 18,419,541 | 83.1%                                   | 13,994,683       | 97,496,288                      | 218,797,348       | 121,301,060        | 44.6%              | 107,561,385      | 14.23%                         |
| 6/30/2026          | 100.0%                  | 1,545,076                       | 2,139,447            | 13,108,037   | 15,808,928   | 15,808,928            | 3.3%     | 18,928,409 | 83.5%                                   | 14,598,862       | 107,775,956                     | 224,968,932       | 117,192,976        | 47.9%              | 109,918,142      | 14.38%                         |
| 6/30/2027          | 100.0%                  | 1,602,681                       | 2,210,072            | 13,589,225   | 16,381,060   | 16,381,060            | 3.6%     | 19,460,281 | 84.2%                                   | 15,105,832       | 118,774,733                     | 231,034,863       | 112,260,130        | 51.4%              | 112,207,671      | 14.60%                         |
| 6/30/2028          | 100.0%                  | 1,636,569                       | 2,258,022            | 14,086,153   | 16,946,002   | 16,946,002            | 3.4%     | 20,053,019 | 84.5%                                   | 15,692,564       | 130,727,905                     | 237,149,821       | 106,421,916        | 55.1%              | 114,701,365      | 14.77%                         |
| 6/30/2029          | 100.0%                  | 1,689,477                       | 2,346,724            | 14,599,426   | 17,570,142   | 17,570,142            | 3.7%     | 20,614,063 | 85.2%                                   | 16,229,053       | 143,591,402                     | 243,185,787       | 99,594,385         | 59.0%              | 116,955,445      | 15.02%                         |
| 6/30/2030          | 100.0%                  | 1,742,770                       | 2,403,553            | 15,129,900   | 18,179,071   | 18,179,071            | 3.5%     | 21,216,090 | 85.7%                                   | 16,760,450       | 157,567,416                     | 249,257,868       | 91,690,452         | 63.2%              | 119,342,765      | 15.23%                         |
| 6/30/2031          | 100.0%                  | 1,805,511                       | 2,456,083            | 15,677,608   | 18,801,411   | 18,801,411            | 3.4%     | 21,834,138 | 86.1%                                   | 17,266,006       | 172,729,308                     | 255,330,864       | 82,601,556         | 67.6%              | 122,439,113      | 15.36%                         |
| 6/30/2032          | 100.0%                  | 1,853,626                       | 2,552,187            | 16,242,754   | 19,487,010   | 19,487,010            | 3.6%     | 22,496,554 | 86.6%                                   | 17,844,498       | 189,216,872                     | 261,430,557       | 72,213,685         | 72.4%              | 124,914,978      | 15.60%                         |
| 6/30/2033          | 100.0%                  | 1,915,649                       | 2,610,822            | 16,825,782   | 20,152,300   | 20,152,300            | 3.4%     | 23,136,310 | 87.1%                                   | 18,369,403       | 207,103,778                     | 267,511,708       | 60,407,930         | 77.4%              |                  |                                |
| 6/30/2034          | 100.0%                  | 1,963,127                       | 2,685,881            | 17,427,735   | 20,854,241   | 20,854,241            | 3.5%     | 23,827,651 | 87.5%                                   | 18,974,709       | 226,544,431                     | 273,610,072       | 47,065,641         | 82.8%              |                  |                                |
| 6/30/2035          | 100.0%                  | 2,042,562                       | 2,734,662            | 18,049,917   | 21,549,910   | 21,549,910            | 3.3%     | 24,484,724 | 88.0%                                   | 19,450,134       | 247,594,365                     | 279,656,098       | 32,061,733         | 88.5%              |                  |                                |
| 6/30/2036          | 100.0%                  | 2,108,143                       | 2,828,177            | 4,554,244    | 7,654,257    | 7,654,257             | -64.5%   | 25,262,632 | 30.3%                                   | 19,875,338       | 270,536,791                     | 285,792,271       | 15,255,480         | 94.7%              |                  |                                |
| 6/30/2037          | 100.0%                  | 2,158,985                       | 2,950,044            | 3,142,343    | 6,316,721    | 6,316,721             | -17.5%   | 26,112,130 | 24.2%                                   | 20,412,165       | 280,422,218                     | 292,088,409       | 11,666,191         | 96.0%              |                  |                                |
| 6/30/2038          | 100.0%                  | 2,235,843                       | 3,013,886            | 2,661,885    | 5,884,765    | 5,884,765             | -6.8%    | 26,894,829 | 21.9%                                   | 20,921,169       | 289,160,326                     | 298,463,722       | 9,303,396          | 96.9%              |                  |                                |
| 6/30/2039          | 100.0%                  | 2,323,979                       | 3,110,124            | 1,517,491    | 4,798,013    | 4,798,013             | -18.5%   | 27,730,536 | 17.3%                                   | 21,309,079       | 297,660,806                     | 304,923,691       | 7,262,885          | 97.6%              |                  |                                |
| 6/30/2040          | 100.0%                  | 2,371,469                       | 3,266,357            | 930,133      | 4,351,014    | 4,351,014             | -9.3%    | 28,715,544 | 15.2%                                   | 21,718,077       | 305,364,606                     | 311,641,315       | 6,276,709          | 98.0%              |                  |                                |
| 6/30/2041          | 100.0%                  | 2,440,715                       | 3,379,096            | 905,147      | 4,441,998    | 4,441,998             | 2.1%     | 29,667,732 | 15.0%                                   | 22,146,139       | 312,809,726                     | 318,633,466       | 5,823,740          | 98.2%              |                  |                                |
| 6/30/2042          | 100.0%                  | 2,527,586                       | 3,488,562            | 771,031      | 4,416,440    | 4,416,440             | -0.6%    | 30,624,020 | 14.4%                                   | 22,580,579       | 320,538,180                     | 325,871,468       | 5,333,288          | 98.4%              |                  |                                |
| 6/30/2043          | 100.0%                  | 2,601,751                       | 3,596,276            | 723,774      | 4,479,124    | 4,479,124             | 1.4%     | 31,601,572 | 14.2%                                   | 23,044,714       | 328,462,718                     | 333,370,786       | 4,908,068          | 98.5%              |                  |                                |
| 6/30/2044          | 100.0%                  | 2,678,524                       | 3,733,998            | 680,721      | 4,577,278    | 4,577,278             | 2.2%     | 32,593,901 | 14.0%                                   | 23,472,534       | 336,645,091                     | 341,108,335       | 4,463,244          | 98.7%              |                  |                                |

Asset Return Assumption:

7.50%

## Town of West Warwick Pension Plan

### Exhibit B: Forecast of Actuarial Valuation Results - Town Proposal

| Fiscal Year Ending | Payment against the ARC | Expected Employee Contributions | Employer Normal Cost | Amortization | Employer ARC | Employer Contribution | Increase | Payroll    | Employer Contribution as a % of Payroll | Benefit Payments | Actuarial Value of Assets (AVA) | Accrued Liability | Unfunded Liability | Funded Ratio (AVA) | Revenue Forecast | Contribution as a % of Revenue |
|--------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|-----------------------|----------|------------|---|------------------|---------------------------------|-------------------|--------------------|--------------------|------------------|--------------------------------|
| 6/30/2014          | 58.1%                   | 1,193,627                       | 1,622,075            | 8,333,803    | 10,322,474   | 6,000,000             | 13.2%    | 13,956,327 | 43.0%                                   | 9,012,391        | 26,428,505                      | 154,588,604       | 128,160,099        | 17.1%              | 85,933,193       | 6.98%                          |
| 6/30/2015          | 100.0%                  | 1,566,889                       | 676,357              | 7,098,587    | 8,061,234    | 8,061,234             | 34.4%    | 14,257,160 | 56.5%                                   | 9,030,147        | 26,935,051                      | 143,780,118       | 116,845,067        | 18.7%              | 88,404,641       | 9.12%                          |
| 6/30/2016          | 100.0%                  | 1,648,746                       | 638,445              | 7,365,205    | 8,298,360    | 8,298,360             | 2.9%     | 14,619,745 | 56.8%                                   | 9,258,096        | 29,785,378                      | 148,061,883       | 118,276,505        | 20.1%              | 90,763,215       | 9.14%                          |
| 6/30/2017          | 100.0%                  | 1,672,758                       | 633,283              | 7,685,960    | 8,625,574    | 8,625,574             | 3.9%     | 14,866,085 | 58.0%                                   | 9,513,841        | 32,215,401                      | 152,481,603       | 120,266,202        | 21.1%              | 92,591,075       | 9.32%                          |
| 6/30/2018          | 100.0%                  | 1,705,577                       | 637,283              | 7,977,892    | 8,932,404    | 8,932,404             | 3.6%     | 15,130,062 | 59.0%                                   | 9,727,742        | 35,595,020                      | 156,996,123       | 121,401,103        | 22.7%              | 94,547,830       | 9.45%                          |
| 6/30/2019          | 100.0%                  | 1,749,889                       | 646,866              | 8,281,157    | 9,256,771    | 9,256,771             | 3.6%     | 15,603,820 | 59.3%                                   | 9,977,734        | 39,244,286                      | 161,569,906       | 122,325,620        | 24.3%              | 96,450,290       | 9.60%                          |
| 6/30/2020          | 100.5%                  | 1,803,399                       | 665,472              | 8,594,691    | 9,601,141    | 9,650,000             | 4.2%     | 16,084,945 | 60.0%                                   | 10,377,645       | 43,290,735                      | 166,278,533       | 122,987,798        | 26.0%              | 98,388,173       | 9.81%                          |
| 6/30/2021          | 100.5%                  | 1,813,495                       | 705,930              | 8,915,192    | 9,975,392    | 10,026,000            | 3.9%     | 16,549,046 | 60.6%                                   | 10,957,279       | 47,691,020                      | 170,987,671       | 123,296,651        | 27.9%              | 100,347,623      | 9.99%                          |
| 6/30/2022          | 100.5%                  | 1,897,736                       | 674,743              | 9,245,952    | 10,285,995   | 10,338,000            | 3.1%     | 16,892,677 | 61.2%                                   | 11,348,042       | 52,219,912                      | 175,488,254       | 123,268,342        | 29.8%              | 102,096,981      | 10.13%                         |
| 6/30/2023          | 100.5%                  | 1,942,128                       | 700,379              | 9,588,071    | 10,667,292   | 10,721,000            | 3.7%     | 17,420,914 | 61.5%                                   | 11,796,182       | 57,096,534                      | 179,975,297       | 122,878,763        | 31.7%              | 103,576,034      | 10.35%                         |
| 6/30/2024          | 100.5%                  | 2,015,798                       | 707,949              | 9,942,080    | 11,042,185   | 11,098,000            | 3.5%     | 17,932,587 | 61.9%                                   | 12,207,714       | 62,317,968                      | 184,408,755       | 122,090,787        | 33.8%              | 105,247,787      | 10.54%                         |
| 6/30/2025          | 100.5%                  | 2,059,715                       | 746,940              | 10,306,985   | 11,460,953   | 11,519,000            | 3.8%     | 18,500,990 | 62.3%                                   | 12,707,115       | 67,975,218                      | 188,813,796       | 120,838,578        | 36.0%              | 107,561,385      | 10.71%                         |
| 6/30/2026          | 100.5%                  | 2,114,575                       | 761,100              | 10,683,590   | 11,866,107   | 11,926,000            | 3.5%     | 19,010,381 | 62.7%                                   | 13,220,577       | 74,021,456                      | 193,103,990       | 119,082,534        | 38.3%              | 109,918,142      | 10.85%                         |
| 6/30/2027          | 100.5%                  | 2,177,533                       | 775,249              | 11,071,963   | 12,283,450   | 12,345,000            | 3.5%     | 19,517,046 | 63.3%                                   | 13,707,423       | 80,471,657                      | 197,238,331       | 116,766,674        | 40.8%              | 112,207,671      | 11.00%                         |
| 6/30/2028          | 100.5%                  | 2,220,967                       | 797,684              | 11,472,799   | 12,722,308   | 12,786,000            | 3.6%     | 20,064,998 | 63.7%                                   | 14,259,828       | 87,401,909                      | 201,242,935       | 113,841,026        | 43.4%              | 114,701,365      | 11.15%                         |
| 6/30/2029          | 100.5%                  | 2,310,813                       | 807,230              | 11,886,508   | 13,161,148   | 13,227,000            | 3.4%     | 20,612,877 | 64.2%                                   | 14,696,121       | 94,783,632                      | 205,029,647       | 110,246,015        | 46.2%              | 116,955,445      | 11.31%                         |
| 6/30/2030          | 100.5%                  | 2,372,261                       | 836,011              | 12,313,789   | 13,634,003   | 13,703,000            | 3.6%     | 21,256,806 | 64.5%                                   | 15,108,218       | 102,819,835                     | 208,741,533       | 105,921,698        | 49.3%              | 119,342,765      | 11.48%                         |
| 6/30/2031          | 100.5%                  | 2,430,763                       | 863,949              | 12,754,631   | 14,120,044   | 14,191,000            | 3.6%     | 21,865,057 | 64.9%                                   | 15,567,943       | 111,592,445                     | 212,383,227       | 100,790,782        | 52.5%              | 122,439,113      | 11.59%                         |
| 6/30/2032          | 100.5%                  | 2,508,633                       | 883,865              | 13,209,329   | 14,612,134   | 14,686,000            | 3.5%     | 22,458,468 | 65.4%                                   | 15,972,726       | 121,114,282                     | 215,889,536       | 94,775,254         | 56.1%              | 124,914,978      | 11.76%                         |
| 6/30/2033          | 100.5%                  | 2,592,008                       | 895,445              | 13,678,066   | 15,110,138   | 15,186,000            | 3.4%     | 23,112,098 | 65.7%                                   | 16,288,683       | 131,527,909                     | 219,316,810       | 87,788,901         | 60.0%              |                  |                                |
| 6/30/2034          | 100.5%                  | 2,637,960                       | 942,277              | 14,161,874   | 15,660,317   | 15,739,000            | 3.6%     | 23,797,733 | 66.1%                                   | 16,717,592       | 143,002,967                     | 222,755,648       | 79,752,681         | 64.2%              |                  |                                |
| 6/30/2035          | 100.5%                  | 2,749,172                       | 919,083              | 14,661,811   | 16,154,615   | 16,236,000            | 3.2%     | 24,378,910 | 66.6%                                   | 16,952,434       | 155,515,970                     | 226,096,409       | 70,580,439         | 68.8%              |                  |                                |
| 6/30/2036          | 100.5%                  | 2,836,616                       | 953,979              | 15,178,741   | 16,726,760   | 16,811,000            | 3.5%     | 25,170,339 | 66.8%                                   | 17,200,102       | 169,357,844                     | 229,532,368       | 60,174,524         | 73.8%              |                  |                                |
| 6/30/2037          | 100.5%                  | 2,927,180                       | 997,182              | 15,712,186   | 17,324,642   | 17,412,000            | 3.6%     | 26,009,055 | 66.9%                                   | 17,458,091       | 184,670,313                     | 233,076,820       | 48,406,507         | 79.2%              |                  |                                |
| 6/30/2038          | 100.5%                  | 3,010,768                       | 1,033,841            | 16,263,068   | 17,933,817   | 18,024,000            | 3.5%     | 26,834,550 | 67.2%                                   | 17,738,829       | 201,583,626                     | 236,745,740       | 35,162,114         | 85.1%              |                  |                                |
| 6/30/2039          | 100.5%                  | 3,110,639                       | 1,064,754            | 16,832,133   | 18,555,888   | 18,649,000            | 3.5%     | 27,674,754 | 67.4%                                   | 18,011,169       | 220,197,450                     | 240,511,580       | 20,314,130         | 91.6%              |                  |                                |
| 6/30/2040          | 100.5%                  | 3,239,088                       | 1,080,190            | 644,579      | 1,788,278    | 1,798,000             | -90.4%   | 28,576,471 | 6.3%                                    | 18,144,812       | 240,679,249                     | 244,406,291       | 3,727,042          | 98.5%              |                  |                                |
| 6/30/2041          | 100.5%                  | 3,337,036                       | 1,128,020            | 627,990      | 1,820,670    | 1,830,000             | 1.8%     | 29,577,911 | 6.2%                                    | 18,351,756       | 245,223,973                     | 248,599,910       | 3,375,937          | 98.6%              |                  |                                |
| 6/30/2042          | 100.5%                  | 3,447,401                       | 1,170,418            | 503,871      | 1,735,940    | 1,745,000             | -4.6%    | 30,571,148 | 5.7%                                    | 18,564,629       | 250,032,095                     | 253,030,938       | 2,998,843          | 98.8%              |                  |                                |
| 6/30/2043          | 100.5%                  | 3,555,321                       | 1,208,836            | 468,657      | 1,739,261    | 1,748,000             | 0.2%     | 31,561,690 | 5.5%                                    | 18,792,351       | 255,009,131                     | 257,713,040       | 2,703,909          | 99.0%              |                  |                                |
| 6/30/2044          | 100.6%                  | 3,658,425                       | 1,263,939            | 428,068      | 1,754,310    | 1,764,000             | 0.9%     | 32,570,758 | 5.4%                                    | 19,061,825       | 260,241,187                     | 262,641,049       | 2,399,862          | 99.1%              |                  |                                |

Asset Return Assumption:

7.50%

## Town of West Warwick Pension Plan

### Exhibit C: Forecast of Actuarial Valuation Results - Town Proposal (with 0.5% lower investment return all years)

| Fiscal Year Ending | Payment against the ARC | Expected Employee Contributions | Employer Normal Cost | Amortization | Employer ARC | Employer Contribution | Increase | Payroll    | Employer Contribution as a % of Payroll | Benefit Payments | Actuarial Value of Assets (AVA) | Accrued Liability | Unfunded Liability | Funded Ratio (AVA) | Revenue Forecast | Contribution as a % of Revenue |
|--------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|-----------------------|----------|------------|---|------------------|---------------------------------|-------------------|--------------------|--------------------|------------------|--------------------------------|
| 6/30/2014          | 58.1%                   | 1,193,627                       | 1,622,075            | 8,333,803    | 10,322,474   | 6,000,000             | 13.2%    | 13,956,327 | 43.0%                                   | 9,012,391        | 26,428,505                      | 154,588,604       | 128,160,099        | 17.1%              | 85,933,193       | 6.98%                          |
| 6/30/2015          | 100.0%                  | 1,566,889                       | 676,357              | 7,106,577    | 8,069,518    | 8,069,518             | 34.5%    | 14,257,160 | 56.6%                                   | 9,030,147        | 26,803,528                      | 143,780,118       | 116,976,590        | 18.6%              | 88,404,641       | 9.13%                          |
| 6/30/2016          | 100.0%                  | 1,648,746                       | 638,445              | 7,381,877    | 8,315,647    | 8,315,647             | 3.1%     | 14,619,745 | 56.9%                                   | 9,258,096        | 29,514,268                      | 148,061,883       | 118,547,615        | 19.9%              | 90,763,215       | 9.16%                          |
| 6/30/2017          | 100.0%                  | 1,672,758                       | 633,283              | 7,712,410    | 8,652,999    | 8,652,999             | 4.1%     | 14,866,085 | 58.2%                                   | 9,513,841        | 31,790,542                      | 152,481,603       | 120,691,061        | 20.8%              | 92,591,075       | 9.35%                          |
| 6/30/2018          | 100.0%                  | 1,705,577                       | 637,283              | 8,015,332    | 8,971,222    | 8,971,222             | 3.7%     | 15,130,062 | 59.3%                                   | 9,727,742        | 35,001,092                      | 156,996,123       | 121,995,031        | 22.3%              | 94,547,830       | 9.49%                          |
| 6/30/2019          | 100.0%                  | 1,749,889                       | 646,866              | 8,330,937    | 9,308,384    | 9,308,384             | 3.8%     | 15,603,820 | 59.7%                                   | 9,977,734        | 38,464,490                      | 161,569,906       | 123,105,416        | 23.8%              | 96,450,290       | 9.65%                          |
| 6/30/2020          | 100.5%                  | 1,803,399                       | 665,472              | 8,658,322    | 9,667,115    | 9,716,000             | 4.4%     | 16,084,945 | 60.4%                                   | 10,377,645       | 42,306,654                      | 166,278,533       | 123,971,879        | 25.4%              | 98,388,173       | 9.88%                          |
| 6/30/2021          | 100.5%                  | 1,813,495                       | 705,930              | 8,994,342    | 10,057,456   | 10,108,000            | 4.0%     | 16,549,046 | 61.1%                                   | 10,957,279       | 46,482,753                      | 170,987,671       | 124,504,918        | 27.2%              | 100,347,623      | 10.07%                         |
| 6/30/2022          | 100.5%                  | 1,897,736                       | 674,743              | 9,342,413    | 10,386,008   | 10,438,000            | 3.3%     | 16,892,677 | 61.8%                                   | 11,348,042       | 50,766,762                      | 175,488,254       | 124,721,492        | 28.9%              | 102,096,981      | 10.22%                         |
| 6/30/2023          | 100.5%                  | 1,942,128                       | 700,379              | 9,703,764    | 10,787,245   | 10,842,000            | 3.9%     | 17,420,914 | 62.2%                                   | 11,796,182       | 55,377,107                      | 179,975,297       | 124,598,190        | 30.8%              | 103,576,034      | 10.47%                         |
| 6/30/2024          | 100.5%                  | 2,015,798                       | 707,949              | 10,079,017   | 11,184,164   | 11,241,000            | 3.7%     | 17,932,587 | 62.7%                                   | 12,207,714       | 60,310,904                      | 184,408,755       | 124,097,851        | 32.7%              | 105,247,787      | 10.68%                         |
| 6/30/2025          | 100.5%                  | 2,059,715                       | 746,940              | 10,467,433   | 11,627,309   | 11,686,000            | 4.0%     | 18,500,990 | 63.2%                                   | 12,707,115       | 65,656,743                      | 188,813,796       | 123,157,053        | 34.8%              | 107,561,385      | 10.86%                         |
| 6/30/2026          | 100.5%                  | 2,114,575                       | 761,100              | 10,870,023   | 12,059,405   | 12,120,000            | 3.7%     | 19,010,381 | 63.8%                                   | 13,220,577       | 71,366,286                      | 193,103,990       | 121,737,704        | 37.0%              | 109,918,142      | 11.03%                         |
| 6/30/2027          | 100.5%                  | 2,177,533                       | 775,249              | 11,287,028   | 12,506,435   | 12,569,000            | 3.7%     | 19,517,046 | 64.4%                                   | 13,707,423       | 77,453,895                      | 197,238,331       | 119,784,436        | 39.3%              | 112,207,671      | 11.20%                         |
| 6/30/2028          | 100.5%                  | 2,220,967                       | 797,684              | 11,719,340   | 12,977,926   | 13,043,000            | 3.8%     | 20,064,998 | 65.0%                                   | 14,259,828       | 83,994,809                      | 201,242,935       | 117,248,126        | 41.7%              | 114,701,365      | 11.37%                         |
| 6/30/2029          | 100.5%                  | 2,310,813                       | 807,230              | 12,167,591   | 13,452,581   | 13,520,000            | 3.7%     | 20,612,877 | 65.6%                                   | 14,696,121       | 90,959,474                      | 205,029,647       | 114,070,173        | 44.4%              | 116,955,445      | 11.56%                         |
| 6/30/2030          | 100.5%                  | 2,372,261                       | 836,011              | 12,632,761   | 13,964,720   | 14,035,000            | 3.8%     | 21,256,806 | 66.0%                                   | 15,108,218       | 98,549,297                      | 208,741,533       | 110,192,236        | 47.2%              | 119,342,765      | 11.76%                         |
| 6/30/2031          | 100.5%                  | 2,430,763                       | 863,949              | 13,115,176   | 14,493,865   | 14,567,000            | 3.8%     | 21,865,057 | 66.6%                                   | 15,567,943       | 106,843,974                     | 212,383,227       | 105,539,253        | 50.3%              | 122,439,113      | 11.90%                         |
| 6/30/2032          | 100.5%                  | 2,508,633                       | 883,865              | 13,615,393   | 15,033,151   | 15,109,000            | 3.7%     | 22,458,468 | 67.3%                                   | 15,972,726       | 115,855,717                     | 215,889,536       | 100,033,819        | 53.7%              | 124,914,978      | 12.10%                         |
| 6/30/2033          | 100.5%                  | 2,592,008                       | 895,445              | 14,134,036   | 15,582,897   | 15,661,000            | 3.7%     | 23,112,098 | 67.8%                                   | 16,288,683       | 125,723,942                     | 219,316,810       | 93,592,868         | 57.3%              |                  |                                |
| 6/30/2034          | 100.5%                  | 2,637,960                       | 942,277              | 14,672,537   | 16,189,784   | 16,271,000            | 3.9%     | 23,797,733 | 68.4%                                   | 16,717,592       | 136,616,281                     | 222,755,648       | 86,139,367         | 61.3%              |                  |                                |
| 6/30/2035          | 100.5%                  | 2,749,172                       | 919,083              | 15,232,414   | 16,746,228   | 16,830,000            | 3.4%     | 24,378,910 | 69.0%                                   | 16,952,434       | 148,506,835                     | 226,096,409       | 77,589,574         | 65.7%              |                  |                                |
| 6/30/2036          | 100.5%                  | 2,836,616                       | 953,979              | 15,815,082   | 17,386,533   | 17,474,000            | 3.8%     | 25,170,339 | 69.4%                                   | 17,200,102       | 161,683,072                     | 229,532,368       | 67,849,296         | 70.4%              |                  |                                |
| 6/30/2037          | 100.5%                  | 2,927,180                       | 997,182              | 16,420,601   | 18,059,142   | 18,150,000            | 3.9%     | 26,009,055 | 69.8%                                   | 17,458,091       | 176,284,251                     | 233,076,820       | 56,792,569         | 75.6%              |                  |                                |
| 6/30/2038          | 100.5%                  | 3,010,768                       | 1,033,841            | 17,050,585   | 18,750,332   | 18,845,000            | 3.8%     | 26,834,550 | 70.2%                                   | 17,738,829       | 192,436,223                     | 236,745,740       | 44,309,517         | 81.3%              |                  |                                |
| 6/30/2039          | 100.5%                  | 3,110,639                       | 1,064,754            | 17,706,452   | 19,462,400   | 19,560,000            | 3.8%     | 27,674,754 | 70.7%                                   | 18,011,169       | 210,235,491                     | 240,511,580       | 30,276,089         | 87.4%              |                  |                                |
| 6/30/2040          | 100.5%                  | 3,239,088                       | 1,080,190            | 1,595,356    | 2,774,065    | 2,788,000             | -85.7%   | 28,576,471 | 9.8%                                    | 18,144,812       | 229,844,397                     | 244,406,291       | 14,561,894         | 94.0%              |                  |                                |
| 6/30/2041          | 100.5%                  | 3,337,036                       | 1,128,020            | 1,660,460    | 2,891,158    | 2,906,000             | 4.2%     | 29,577,911 | 9.8%                                    | 18,351,756       | 233,474,799                     | 248,599,910       | 15,125,111         | 93.9%              |                  |                                |
| 6/30/2042          | 100.5%                  | 3,447,401                       | 1,170,418            | 1,620,059    | 2,893,228    | 2,908,000             | 0.1%     | 30,571,148 | 9.5%                                    | 18,564,629       | 237,370,771                     | 253,030,938       | 15,660,167         | 93.8%              |                  |                                |
| 6/30/2043          | 100.5%                  | 3,555,321                       | 1,208,836            | 1,670,611    | 2,985,474    | 3,001,000             | 3.2%     | 31,561,690 | 9.5%                                    | 18,792,351       | 241,437,933                     | 257,713,040       | 16,275,107         | 93.7%              |                  |                                |
| 6/30/2044          | 100.5%                  | 3,658,425                       | 1,263,939            | 1,717,687    | 3,091,416    | 3,107,000             | 3.5%     | 32,570,758 | 9.5%                                    | 19,061,825       | 245,764,645                     | 262,641,049       | 16,876,404         | 93.6%              |                  |                                |

Asset Return Assumption:

7.00%

## Town of West Warwick Pension Plan

### Exhibit D: Forecast of Actuarial Valuation Results - Town Proposal (Contribute 100.0% of ARC)

| Fiscal Year Ending | Payment against the ARC | Expected Employee Contributions | Employer Normal Cost | Amortization | Employer ARC | Employer Contribution | Increase | Payroll    | Employer Contribution as a % of Payroll | Benefit Payments | Actuarial Value of Assets (AVA) | Accrued Liability | Unfunded Liability | Funded Ratio (AVA) | Revenue Forecast | Contribution as a % of Revenue |
|--------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|-----------------------|----------|------------|---|------------------|---------------------------------|-------------------|--------------------|--------------------|------------------|--------------------------------|
| 6/30/2014          | 58.1%                   | 1,193,627                       | 1,622,075            | 8,333,803    | 10,322,474   | 6,000,000             | 13.2%    | 13,956,327 | 43.0%                                   | 9,012,391        | 26,428,505                      | 154,588,604       | 128,160,099        | 17.1%              | 85,933,193       | 6.98%                          |
| 6/30/2015          | 100.0%                  | 1,566,889                       | 676,357              | 7,098,587    | 8,061,234    | 8,061,234             | 34.4%    | 14,257,160 | 56.5%                                   | 9,030,147        | 26,935,051                      | 143,780,118       | 116,845,067        | 18.7%              | 88,404,641       | 9.12%                          |
| 6/30/2016          | 100.0%                  | 1,648,746                       | 638,445              | 7,365,205    | 8,298,360    | 8,298,360             | 2.9%     | 14,619,745 | 56.8%                                   | 9,258,096        | 29,785,378                      | 148,061,883       | 118,276,505        | 20.1%              | 90,763,215       | 9.14%                          |
| 6/30/2017          | 100.0%                  | 1,672,758                       | 633,283              | 7,685,960    | 8,625,574    | 8,625,574             | 3.9%     | 14,866,085 | 58.0%                                   | 9,513,841        | 32,215,401                      | 152,481,603       | 120,266,202        | 21.1%              | 92,591,075       | 9.32%                          |
| 6/30/2018          | 100.0%                  | 1,705,577                       | 637,283              | 7,977,892    | 8,932,404    | 8,932,404             | 3.6%     | 15,130,062 | 59.0%                                   | 9,727,742        | 35,595,020                      | 156,996,123       | 121,401,103        | 22.7%              | 94,547,830       | 9.45%                          |
| 6/30/2019          | 100.0%                  | 1,749,889                       | 646,866              | 8,281,157    | 9,256,771    | 9,256,771             | 3.6%     | 15,603,820 | 59.3%                                   | 9,977,734        | 39,244,286                      | 161,569,906       | 122,325,620        | 24.3%              | 96,450,290       | 9.60%                          |
| 6/30/2020          | 100.0%                  | 1,803,399                       | 665,472              | 8,594,691    | 9,601,141    | 9,601,141             | 3.7%     | 16,084,945 | 59.7%                                   | 10,377,645       | 43,290,735                      | 166,278,533       | 122,987,798        | 26.0%              | 98,388,173       | 9.76%                          |
| 6/30/2021          | 100.0%                  | 1,813,495                       | 705,930              | 8,918,269    | 9,978,582    | 9,978,582             | 3.9%     | 16,549,046 | 60.3%                                   | 10,957,279       | 47,640,362                      | 170,987,671       | 123,347,309        | 27.9%              | 100,347,623      | 9.94%                          |
| 6/30/2022          | 100.0%                  | 1,897,736                       | 674,743              | 9,252,326    | 10,292,604   | 10,292,604            | 3.1%     | 16,892,677 | 60.9%                                   | 11,348,042       | 52,116,291                      | 175,488,254       | 123,371,963        | 29.7%              | 102,096,981      | 10.08%                         |
| 6/30/2023          | 100.0%                  | 1,942,128                       | 700,379              | 9,597,943    | 10,677,528   | 10,677,528            | 3.7%     | 17,420,914 | 61.3%                                   | 11,796,182       | 56,938,074                      | 179,975,297       | 123,037,223        | 31.6%              | 103,576,034      | 10.31%                         |
| 6/30/2024          | 100.0%                  | 2,015,798                       | 707,949              | 9,955,680    | 11,056,286   | 11,056,286            | 3.5%     | 17,932,587 | 61.7%                                   | 12,207,714       | 62,102,550                      | 184,408,755       | 122,306,205        | 33.7%              | 105,247,787      | 10.51%                         |
| 6/30/2025          | 100.0%                  | 2,059,715                       | 746,940              | 10,324,577   | 11,479,193   | 11,479,193            | 3.8%     | 18,500,990 | 62.0%                                   | 12,707,115       | 67,700,393                      | 188,813,796       | 121,113,403        | 35.9%              | 107,561,385      | 10.67%                         |
| 6/30/2026          | 100.0%                  | 2,114,575                       | 761,100              | 10,705,454   | 11,888,776   | 11,888,776            | 3.6%     | 19,010,381 | 62.5%                                   | 13,220,577       | 73,684,746                      | 193,103,990       | 119,419,244        | 38.2%              | 109,918,142      | 10.82%                         |
| 6/30/2027          | 100.0%                  | 2,177,533                       | 775,249              | 11,098,365   | 12,310,825   | 12,310,825            | 3.5%     | 19,517,046 | 63.1%                                   | 13,707,423       | 80,071,099                      | 197,238,331       | 117,167,232        | 40.6%              | 112,207,671      | 10.97%                         |
| 6/30/2028          | 100.0%                  | 2,220,967                       | 797,684              | 11,504,003   | 12,754,660   | 12,754,660            | 3.6%     | 20,064,998 | 63.6%                                   | 14,259,828       | 86,935,876                      | 201,242,935       | 114,307,059        | 43.2%              | 114,701,365      | 11.12%                         |
| 6/30/2029          | 100.0%                  | 2,310,813                       | 807,230              | 11,922,816   | 13,198,792   | 13,198,792            | 3.5%     | 20,612,877 | 64.0%                                   | 14,696,121       | 94,250,152                      | 205,029,647       | 110,779,495        | 46.0%              | 116,955,445      | 11.29%                         |
| 6/30/2030          | 100.0%                  | 2,372,261                       | 836,011              | 12,355,514   | 13,677,265   | 13,677,265            | 3.6%     | 21,256,806 | 64.3%                                   | 15,108,218       | 102,217,097                     | 208,741,533       | 106,524,436        | 49.0%              | 119,342,765      | 11.46%                         |
| 6/30/2031          | 100.0%                  | 2,430,763                       | 863,949              | 12,802,162   | 14,169,326   | 14,169,326            | 3.6%     | 21,865,057 | 64.8%                                   | 15,567,943       | 110,917,819                     | 212,383,227       | 101,465,408        | 52.2%              | 122,439,113      | 11.57%                         |
| 6/30/2032          | 100.0%                  | 2,508,633                       | 883,865              | 13,262,994   | 14,667,776   | 14,667,776            | 3.5%     | 22,458,468 | 65.3%                                   | 15,972,726       | 120,366,587                     | 215,889,536       | 95,522,949         | 55.8%              | 124,914,978      | 11.74%                         |
| 6/30/2033          | 100.0%                  | 2,592,008                       | 895,445              | 13,738,263   | 15,172,551   | 15,172,551            | 3.4%     | 23,112,098 | 65.6%                                   | 16,288,683       | 130,705,242                     | 219,316,810       | 88,611,568         | 59.6%              |                  |                                |
| 6/30/2034          | 100.0%                  | 2,637,960                       | 942,277              | 14,228,955   | 15,729,868   | 15,729,868            | 3.7%     | 23,797,733 | 66.1%                                   | 16,717,592       | 142,104,656                     | 222,755,648       | 80,650,992         | 63.8%              |                  |                                |
| 6/30/2035          | 100.0%                  | 2,749,172                       | 919,083              | 14,736,197   | 16,231,740   | 16,231,740            | 3.2%     | 24,378,910 | 66.6%                                   | 16,952,434       | 154,540,818                     | 226,096,409       | 71,555,591         | 68.4%              |                  |                                |
| 6/30/2036          | 100.0%                  | 2,836,616                       | 953,979              | 15,260,856   | 16,811,899   | 16,811,899            | 3.6%     | 25,170,339 | 66.8%                                   | 17,200,102       | 168,305,139                     | 229,532,368       | 61,227,229         | 73.3%              |                  |                                |
| 6/30/2037          | 100.0%                  | 2,927,180                       | 997,182              | 15,802,482   | 17,418,263   | 17,418,263            | 3.6%     | 26,009,055 | 67.0%                                   | 17,458,091       | 183,539,587                     | 233,076,820       | 49,537,233         | 78.7%              |                  |                                |
| 6/30/2038          | 100.0%                  | 3,010,768                       | 1,033,841            | 16,362,027   | 18,036,420   | 18,036,420            | 3.5%     | 26,834,550 | 67.2%                                   | 17,738,829       | 200,374,589                     | 236,745,740       | 36,371,151         | 84.6%              |                  |                                |
| 6/30/2039          | 100.0%                  | 3,110,639                       | 1,064,754            | 16,940,236   | 18,667,971   | 18,667,971            | 3.5%     | 27,674,754 | 67.5%                                   | 18,011,169       | 218,910,613                     | 240,511,580       | 21,600,967         | 91.0%              |                  |                                |
| 6/30/2040          | 100.0%                  | 3,239,088                       | 1,080,190            | 762,331      | 1,910,367    | 1,910,367             | -89.8%   | 28,576,471 | 6.7%                                    | 18,144,812       | 239,315,569                     | 244,406,291       | 5,090,722          | 97.9%              |                  |                                |
| 6/30/2041          | 100.0%                  | 3,337,036                       | 1,128,020            | 750,476      | 1,947,666    | 1,947,666             | 2.0%     | 29,577,911 | 6.6%                                    | 18,351,756       | 243,874,521                     | 248,599,910       | 4,725,389          | 98.1%              |                  |                                |
| 6/30/2042          | 100.0%                  | 3,447,401                       | 1,170,418            | 631,232      | 1,867,990    | 1,867,990             | -4.1%    | 30,571,148 | 6.1%                                    | 18,564,629       | 248,703,433                     | 253,030,938       | 4,327,505          | 98.3%              |                  |                                |
| 6/30/2043          | 100.0%                  | 3,555,321                       | 1,208,836            | 601,045      | 1,876,524    | 1,876,524             | 0.5%     | 31,561,690 | 5.9%                                    | 18,792,351       | 253,708,338                     | 257,713,040       | 4,004,702          | 98.4%              |                  |                                |
| 6/30/2044          | 100.0%                  | 3,658,425                       | 1,263,939            | 565,641      | 1,896,949    | 1,896,949             | 1.1%     | 32,570,758 | 5.8%                                    | 19,061,825       | 258,976,091                     | 262,641,049       | 3,664,958          | 98.6%              |                  |                                |

Asset Return Assumption:

7.50%

**Town of West Warwick Pension Plan**

Exhibit E

Summary of Actuarial Assumptions

|                                    | <b>Current Assumptions</b>   | <b>Proposed Assumptions</b>   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
|------------------------------------|--|---|-------------|--------|----|---------|----|----|-----|----|-----|---------|-----|---------|-----|---------|-----|----|------|---|
| <b>Retirement Age</b>              |  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| Police:                            | <u>All Police</u><br>25% at 20 years of service<br>50% at 25 years of service<br>100% at age 62<br>5% at all other age/service combinations  | <u>Police Hired Prior to 7/1/2014</u><br>Same as current<br><br><u>Police Hired On or After 7/1/2014</u><br>25% at first eligibility for unreduced retirement if less than 25 years of service<br>50% at first eligibility for unreduced retirement at 25 or more years of service<br>100% at age 62<br>5% at all other age/service combinations            |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| Fire:                              | <u>All Fire</u><br>25% at 20 years of service<br>50% at 25 years of service<br>100% at age 62<br>5% at all other age/service combinations  | <u>4 Grandfathered Fire Members</u><br>Same as current<br><br><u>All Other Fire</u><br>50% at first eligibility for unreduced retirement<br>5% at ages 50-54<br>30% at ages 55 and 60 if not eligible for unreduced retirement<br>50% at ages 55 and 60 if eligible for unreduced retirement<br>100% at age 62<br>10% at all other age/service combinations |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| Others:                            | <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: left;"><u>Male</u></th> </tr> </thead> <tbody> <tr><td>0 - 55</td><td>2%</td></tr> <tr><td>56 - 59</td><td>4%</td></tr> <tr><td>60</td><td>25%</td></tr> <tr><td>61</td><td>10%</td></tr> <tr><td>62 - 64</td><td>30%</td></tr> <tr><td>65 - 66</td><td>25%</td></tr> <tr><td>67 - 69</td><td>50%</td></tr> <tr><td>70</td><td>100%</td></tr> </tbody> </table> | <u>Age</u>  | <u>Male</u> | 0 - 55 | 2% | 56 - 59 | 4% | 60 | 25% | 61 | 10% | 62 - 64 | 30% | 65 - 66 | 25% | 67 - 69 | 50% | 70 | 100% | <u>All Civilian</u><br>5% at all ages < 60<br>50% at ages 60 and 62<br>10% at ages 61,63,64<br>100% at age 65<br><br><u>Others Hired Prior to 7/1/2014</u><br>Same as current. No rates apply if age < 62 AND service < 25.<br><br><u>Others Hired On or After 7/1/2014</u><br>Same as current. No rates apply if age < 62 AND service < 25.<br>No rates apply if age < 55 regardless of service. |
| <u>Age</u>                         | <u>Male</u>  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 0 - 55                             | 2%   |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 56 - 59                            | 4%   |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 60                                 | 25%  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 61                                 | 10%  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 62 - 64                            | 30%  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 65 - 66                            | 25%  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 67 - 69                            | 50%  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| 70                                 | 100%   |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| <b>Mortality of healthy lives</b>  |  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| Police and Fire                    | RP-2000 Combined Blue Collar Mortality Table projected to 2025 per Scale AA. No mortality improvements are projected beyond 2025.  | No change   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| Others and Beneficiaries           | RP-2000 Combined Healthy Mortality Table projected to 2025 per Scale AA. No mortality improvements are projected beyond 2025.  | No change   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
| <b>Mortality of disabled lives</b> |  |   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |
|                                    | RP-2000 Disabled Mortality Table projected to 2025 per Scale AA. No mortality improvements are projected beyond 2025.  | No change   |             |        |    |         |    |    |     |    |     |         |     |         |     |         |     |    |      |   |

**Town of West Warwick Pension Plan**

Exhibit E

Summary of Actuarial Assumptions

|   | <b>Current Assumptions</b>   | <b>Proposed Assumptions</b>  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
|---|--|--|------------------------|---------------|-------|-------|-------|----|-------|-------|-------|-------|-------|----|-------|-------|-------|-------|-------|----|-------|-------|----|-------|-------|----|-------|-------|--|
| <b>Disablement</b>                          |  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| Police and Fire:                            | 3 times the 1985 Pension Disability Table  | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| Others:                                     | 1985 Pension Disability Table through age 64   | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
|   | <table border="0"> <thead> <tr> <th align="left"><u>Age</u></th> <th align="center"><u>Police and Fire</u></th> <th align="center"><u>Others</u></th> </tr> </thead> <tbody> <tr><td>25</td><td align="center">0.28%</td><td align="center">0.09%</td></tr> <tr><td>30</td><td align="center">0.44%</td><td align="center">0.15%</td></tr> <tr><td>35</td><td align="center">0.66%</td><td align="center">0.22%</td></tr> <tr><td>40</td><td align="center">0.99%</td><td align="center">0.33%</td></tr> <tr><td>45</td><td align="center">1.53%</td><td align="center">0.51%</td></tr> <tr><td>50</td><td align="center">2.51%</td><td align="center">0.84%</td></tr> <tr><td>55</td><td align="center">4.49%</td><td align="center">0.00%</td></tr> <tr><td>60</td><td align="center">6.32%</td><td align="center">0.00%</td></tr> </tbody> </table> | <u>Age</u>   | <u>Police and Fire</u> | <u>Others</u> | 25    | 0.28% | 0.09% | 30 | 0.44% | 0.15% | 35    | 0.66% | 0.22% | 40 | 0.99% | 0.33% | 45    | 1.53% | 0.51% | 50 | 2.51% | 0.84% | 55 | 4.49% | 0.00% | 60 | 6.32% | 0.00% |  |
| <u>Age</u>                                  | <u>Police and Fire</u>   | <u>Others</u>  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 25  | 0.28%  | 0.09%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 30  | 0.44%  | 0.15%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 35  | 0.66%  | 0.22%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 40  | 0.99%  | 0.33%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 45  | 1.53%  | 0.51%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 50  | 2.51%  | 0.84%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 55  | 4.49%  | 0.00%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 60  | 6.32%  | 0.00%  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Withdrawal</b>                           |  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| Police and Fire:                            | None   | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| Others:                                     | Crocker-Sarason T-3  | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
|   | <table border="0"> <thead> <tr> <th align="left"><u>Age</u></th> <th align="center"><u>T-3</u></th> </tr> </thead> <tbody> <tr><td>25</td><td align="center">5.27%</td></tr> <tr><td>30</td><td align="center">4.83%</td></tr> <tr><td>35</td><td align="center">4.47%</td></tr> <tr><td>40</td><td align="center">3.84%</td></tr> <tr><td>45</td><td align="center">3.21%</td></tr> <tr><td>50</td><td align="center">1.52%</td></tr> <tr><td>55</td><td align="center">0.33%</td></tr> <tr><td>60</td><td align="center">0.00%</td></tr> </tbody> </table>   | <u>Age</u>   | <u>T-3</u>             | 25            | 5.27% | 30    | 4.83% | 35 | 4.47% | 40    | 3.84% | 45    | 3.21% | 50 | 1.52% | 55    | 0.33% | 60    | 0.00% |    |       |       |    |       |       |    |       |       |  |
| <u>Age</u>                                  | <u>T-3</u>   |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 25  | 5.27%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 30  | 4.83%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 35  | 4.47%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 40  | 3.84%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 45  | 3.21%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 50  | 1.52%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 55  | 0.33%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| 60  | 0.00%  |  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Future Salary Increases (Valuation)</b>  | 2.0% compounded annually for next five years; 3.5% compounded annually thereafter  | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Future Salary Increases (Experience)</b> | Inflation - 3.0%<br>Merit - Rates varying by age   | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Valuation Interest Rate</b>              | 7.5%   | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Inflation Rate</b>                       | 3.0%   | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Eligible Spouse</b>                      | 80% of participants assumed to be married with female spouse 3 years younger than husbands   | No change  |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>COLA for Police and Fire Disability</b>  | 90% of assumed active base salary increase rate (0.00% next 5 years; 3.15% compounded thereafter)  | COLA has been adjusted for each group as described in Exhibit F.                             |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |
| <b>Active Population Growth</b>             | Not Applicable   | Remains flat - i.e. the number of actives in the plan is projected to remain constant at 297 |                        |               |       |       |       |    |       |       |       |       |       |    |       |       |       |       |       |    |       |       |    |       |       |    |       |       |  |

**Town of West Warwick Pension Plan**

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Exhibit E

Summary of Actuarial Assumptions

**Additional Comments**

- GASB rules in effect as of July 1, 2013 are used to determine the Annual Required Contribution (ARC) in all future years
- It is assumed that the Town will contribute the full ARC contribution in each year of the projections unless otherwise stated
- Annual Contribution consists of 2 pieces - benefits being earned during the current year and the amount to cover the amortization of the unfunded liability
- Future new entrants were modeled after actual new entrant data from 2008-2012

**Town of West Warwick Pension Plan**

Exhibit F - Fire

Summary of Current Plan Provisions and Proposed Plan Changes

|  | <b>Current Provision</b>  | <b>Proposed Provision</b>  |
|--|---|--|
| <b><i>Retirement Benefits - Fire</i></b> |   |  |
| <i>Base Formula</i>                      | Target 70% of AME at 28 Years<br>2.5% x Service (up to 28 Years) x AME<br>AME - Highest 12 months of Pay  | Target 70% of AME at 30 Years<br>(2.2% x Service up to the 1st 25 Years + 3.0% x Up to Next 5 Years) x AME<br>AME - Average of highest 3 consecutive years of Pay  |
| <i>Normal Retirement Eligibility</i>     | Pre 7/1/2011 hires (Fire & Civilian) - Age 62.5 or 20 years of service<br><br>Post 7/1/2011 hires (Fire & Civilian) - Age 62.5 or Age 50 with 20 years of service. Benefits cannot begin prior to 23 years in plan. | Pre 7/1/2014 hires (Fire) - Age 62 or Age 50 with 25 years of service; 4 members are grandfathered under the current provision<br>Post 7/1/2014 hires (Fire) - Age 62 or Age 55 with 25 years of service<br>All Civilian - Age 60 with 10 years of service           |
| <i>Pay Definition</i>                    | Benefit Purposes - Basic rate of annual salary, longevity payments, holiday pay, and EMT pay<br><br>Employee Contribution Purposes - Basic rate of salary, longevity payments, and holiday pay                      | Benefit Purposes - Same as current<br><br>Employee Contribution Purposes - Basic rate of salary, longevity payments, holiday pay, and EMT pay  |
| <i>COLA</i>                              | Fire & Civilian - 2.25% per year for 15 years   | Fire - Suspend COLA for first 7 years of retirement (or until age 62.5, if earlier) followed by 15 years of a simple 2.25% COLA<br>Civilian - Suspend COLA for first 7 years of retirement (or until age 67, if earlier) followed by 15 years of a simple 2.25% COLA |
| <i>Participant Contributions</i>         | 9.0% of Pay<br><br>Employees hired prior to 7/1/2011 stop after 28 years of service. Employees hired on or after 7/1/2011 stop after 30 years of service.   | 11.0% of Pay effective 1/1/2014; 12.0% of Pay effective 7/1/2014; 13.0% of Pay effective 7/1/2015 and later<br><br>Employees contribute for all years of service.  |

**Town of West Warwick Pension Plan**

Exhibit F - Fire

Summary of Current Plan Provisions and Proposed Plan Changes

|  | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|--|--|---|
| <b><i>Retirement Benefits - Fire</i></b>   |  |   |
| <i>Early Retirement Eligibility</i>        | Age 50 and 10 years of service<br>Benefit is actuarial equivalent of the Normal Retirement Benefit                                   | Same as current   |
| <i>Vesting</i>                             | 10 years of service  | Same as current   |
| <i>Normal Form of Payment</i>              | 67.5% Joint and Survivor Annuity with guaranteed return of contributions   | Same as current   |
| <b><i>Disability Benefits - Fire</i></b>   |  |   |
| <i>Occupational Disability Benefit</i>     | 2/3 of Pay. Annually adjusted by same percentage as active employees in same position at time of disability.                         | Occurs Prior to 25 Years - 2/3 of Pay; at 25th anniversary since date of hire, benefit adjusted to 55% of Pay received by active employees in position held at time of disability. Annual adjustment matches COLA listed above.   |
| <i>Non-Occupational Disability Benefit</i> | Accrued normal retirement benefit with a minimum of 50% of Pay   | Occurs After 25 Years - 2/3 of Pay. Annual adjustment matches COLA listed above.<br><br>Occurs Prior to 10 Years - Receive 25% of Pay<br><br>Occurs After 10 Years - Receive 25% of Pay + 2.2% for each year between 10 and 25 + 3.0% for each year between 25 and 30 years |
| <b><i>Death Benefits - Fire</i></b>        |  |   |
| <i>Pre-Retirement Death Benefit</i>        | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, plus a survivor portion of 50% Joint and Survivor if vested | Same as current   |
| <i>Post-Retirement Death Benefit</i>       | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, reduced 25% per year from retirement                        | Same as current   |

**Town of West Warwick Pension Plan**

Exhibit F - Police

Summary of Current Plan Provisions and Proposed Plan Changes

| <b>Retirement Benefits - Police</b>  | <b>Current Provision</b>   | <b>Proposed Provision</b>  |
|--------------------------------------|--|--|
| <i>Base Formula</i>                  | <p>Target 70% of AME at 28 Years for members hired prior to 7/1/2011 and 30 Years for members hired on or after 7/1/2011</p> <p>Pre 7/1/2011 hires - 2.5% x Service (up to 28 Years) x AME<br/>Post 7/1/2011 hires - (2.5% x Service up to the 1st 20 Years + 2.0% x Up to next 10 Years) x AME<br/>AME - Highest 12 months of Pay</p> | <p>Target 70% of AME at 28 Years for members with 20 years of service at 6/30/2014 and 31 Years for all other members</p> <p>Members with 20 years of service at 6/30/2014 keep their current formula.<br/>All Others - (2.5% x Service up to the 1st 20 Years + 1.0% x Up to next 5 Years + 2.5% x Up to next 6 Years) x AME<br/>AME - Highest 12 months of Pay</p> |
| <i>Normal Retirement Eligibility</i> | <p>Pre 7/1/2011 hires - Age 62 or 20 years of service<br/>Post 7/1/2011 hires - Age 62 or Age 50 with 25 years of service</p>  | <p>Pre 7/1/2014 hires - Age 62 or 20 years of service<br/>Post 7/1/2014 hires - Age 62 or Age 50 with 20 years of service</p>  |
| <i>Pay Definition</i>                | <p>Benefit Purposes - Basic rate of annual earnings, longevity payments, wellness stipend, and 105 hours of holiday pay</p> <p>Employee Contribution Purposes - Basic rate of annual earnings, longevity payments, wellness stipend, and 105 hours of holiday pay</p>  | <p>Benefit Purposes - Same as current</p> <p>Employee Contribution Purposes - Same as current</p>  |
| <i>COLA</i>                          | <p>2.25% per year for 15 years</p>   | <p>Suspend COLA for first 7 years of retirement followed by 15 years of a compounded 2.25% COLA</p>  |
| <i>Participant Contributions</i>     | <p>9.0% of Pay</p> <p>Employees stop after 28 years of service.</p>  | <p>10.0% of Pay effective 1/1/2014; 11.0% of Pay effective 7/1/2014; 12.0% of Pay effective 7/1/2015 and later</p> <p>Employees contribute for all years of service.</p>   |

**Town of West Warwick Pension Plan**

Exhibit F - Police

Summary of Current Plan Provisions and Proposed Plan Changes

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|  | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|--|--|---|
| <b><i>Retirement Benefits - Police</i></b> |  |   |
| <i>Early Retirement Eligibility</i>        | Age 50 and 10 years of service<br>Benefit is actuarial equivalent of the Normal Retirement Benefit                                   | Same as current   |
| <i>Vesting</i>                             | 10 years of service  | Same as current   |
| <i>Normal Form of Payment</i>              | 67.5% Joint and Survivor Annuity with guaranteed return of contributions   | Same as current   |
| <b><i>Disability Benefits - Police</i></b> |  |   |
| <i>Occupational Disability Benefit</i>     | 2/3 of Pay. Annually adjusted by same percentage as active employees in same position at time of disability.                         | 2/3 of Pay. If member is not occupationally disabled at retirement age, the benefit adjusts to the accrued benefit under the normal retirement benefit formula using the most current pay for position last held by member. Annual adjustment to benefit matches COLA listed above. |
| <i>Non-Occupational Disability Benefit</i> | Accrued normal retirement benefit with a minimum of 50% of Pay   | Same as current   |
| <b><i>Death Benefits - Police</i></b>      |  |   |
| <i>Pre-Retirement Death Benefit</i>        | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, plus a survivor portion of 50% Joint and Survivor if vested | Same as current   |
| <i>Post-Retirement Death Benefit</i>       | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, reduced 25% per year from retirement                        | Same as current   |

**Town of West Warwick Pension Plan**

Exhibit F - Municipal Union

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|---|--|---|
| <b><i>Retirement Benefits - Municipal Union</i></b> |  |   |
| <i>Base Formula</i>                                 | 2.5% x Service x AME<br>AME - Highest 12 months of Pay   | (2.5% x Service through 7/1/2014 + 2.4% x Service after 7/1/2014) x AME<br>AME - Average of highest 10 consecutive years of Pay   |
| <i>Normal Retirement Eligibility</i>                | Age 60 with 10 years of service or 25 years of service   | Pre 7/1/2014 hires - Age 62 with 12 years of service or 25 years of service<br>Post 7/1/2014 hires - Age 62 with 12 years of service or Age 55 with 25 years of service |
| <i>Pay Definition</i>                               | Benefit Purposes - Basic rate of annual earnings and longevity payments<br>Employee Contribution Purposes - Basic rate of annual earnings and longevity payments | Benefit Purposes - Same as current<br>Employee Contribution Purposes - Same as current  |
| <i>COLA</i>   | 2.25% per year for 15 years  | Suspend COLA for first 5 years of retirement followed by 15 years of a compounded 2.00% COLA  |
| <i>Participant Contributions</i>                    | 9.0% of Pay  | 11.0% of Pay  |
| <i>Early Retirement Eligibility</i>                 | Department head at Age 50 with 10 years of service - benefit unreduced   | Same as current   |
| <i>Vesting</i>                                      | 10 years of service  | 12 years of service   |
| <i>Normal Form of Payment</i>                       | 67.5% Joint and Survivor Annuity with guaranteed return of contributions   | Same as current   |

**Town of West Warwick Pension Plan**

Exhibit F - Municipal Union

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b> |
|---|--|---------------------------|
| <b><i>Disability Benefits - Municipal Union</i></b> |  |                           |
| <i>Occupational Disability Benefit</i>              | 2/3 of Pay. Annual adjustment to benefit matches COLA listed above.  | Same as current           |
| <i>Non-Occupational Disability Benefit</i>          | Accrued normal retirement benefit  | Same as current           |
| <b><i>Death Benefits - Municipal Union</i></b>      |  |                           |
| <i>Pre-Retirement Death Benefit</i>                 | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, plus a survivor portion of 50% Joint and Survivor if vested | Same as current           |
| <i>Post-Retirement Death Benefit</i>                | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, reduced 25% per year from retirement                        | Same as current           |

**Town of West Warwick Pension Plan**

Exhibit F - School (Council 94)

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|---|--|---|
| <b><i>Retirement Benefits - School (Council 94)</i></b> |  |   |
| <i>Base Formula</i>                                     | 2.5% x Service x AME<br>AME - Highest 12 months of Pay   | (2.5% x Service through 7/1/2014 + 2.4% x Service after 7/1/2014) x AME<br>AME - Average of highest 10 consecutive years of Pay   |
| <i>Normal Retirement Eligibility</i>                    | Age 60 with 10 years of service or 25 years of service   | Pre 7/1/2014 hires - Age 62 with 12 years of service or 25 years of service<br>Post 7/1/2014 hires - Age 62 with 12 years of service or Age 55 with 25 years of service |
| <i>Pay Definition</i>                                   | Benefit Purposes - Basic rate of annual earnings and longevity payments<br>Employee Contribution Purposes - Basic rate of annual earnings and longevity payments | Benefit Purposes - Same as current<br>Employee Contribution Purposes - Same as current  |
| <i>COLA</i>   | 2.25% per year for 15 years  | Suspend COLA for first 5 years of retirement followed by 15 years of a compounded 2.00% COLA  |
| <i>Participant Contributions</i>                        | 9.0% of Pay  | 11.0% of Pay  |
| <i>Early Retirement Eligibility</i>                     | Department head at Age 50 with 10 years of service - benefit unreduced   | Same as current   |
| <i>Vesting</i>  | 10 years of service  | 12 years of service   |
| <i>Normal Form of Payment</i>                           | 67.5% Joint and Survivor Annuity with guaranteed return of contributions   | Same as current   |

**Town of West Warwick Pension Plan**

Exhibit F - School (Council 94)

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b> |
|---|--|---------------------------|
| <b><i>Disability Benefits - School (Council 94)</i></b> |  |                           |
| <i>Occupational Disability Benefit</i>                  | 2/3 of Pay. Annual adjustment to benefit matches COLA listed above.  | Same as current           |
| <i>Non-Occupational Disability Benefit</i>              | Accrued normal retirement benefit  | Same as current           |
| <b><i>Death Benefits - School (Council 94)</i></b>      |  |                           |
| <i>Pre-Retirement Death Benefit</i>                     | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, plus a survivor portion of 50% Joint and Survivor if vested | Same as current           |
| <i>Post-Retirement Death Benefit</i>                    | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, reduced 25% per year from retirement                        | Same as current           |

**Town of West Warwick Pension Plan**

Exhibit F - Library

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|---|--|---|
| <b><i>Retirement Benefits - Library</i></b> |  |   |
| <i>Base Formula</i>                         | 2.5% x Service x AME<br>AME - Highest 12 months of Pay   | (2.5% x Service through 7/1/2014 + 2.4% x Service after 7/1/2014) x AME<br>AME - Average of highest 10 consecutive years of Pay   |
| <i>Normal Retirement Eligibility</i>        | Age 60 with 10 years of service or 25 years of service   | Pre 7/1/2014 hires - Age 62 with 12 years of service or 25 years of service<br>Post 7/1/2014 hires - Age 62 with 12 years of service or Age 55 with 25 years of service |
| <i>Pay Definition</i>                       | Benefit Purposes - Basic rate of annual earnings and longevity payments<br>Employee Contribution Purposes - Basic rate of annual earnings and longevity payments | Benefit Purposes - Same as current<br>Employee Contribution Purposes - Same as current  |
| <i>COLA</i>                                 | 2.25% per year for 15 years  | Suspend COLA for first 5 years of retirement followed by 15 years of a compounded 2.00% COLA  |
| <i>Participant Contributions</i>            | 9.0% of Pay  | 11.0% of Pay  |
| <i>Early Retirement Eligibility</i>         | Department head at Age 50 with 10 years of service - benefit unreduced   | Same as current   |
| <i>Vesting</i>                              | 10 years of service  | 12 years of service   |
| <i>Normal Form of Payment</i>               | 67.5% Joint and Survivor Annuity with guaranteed return of contributions   | Same as current   |

**Town of West Warwick Pension Plan**

Exhibit F - Library

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b> |
|---|--|---------------------------|
| <b><i>Disability Benefits - Library</i></b> |  |                           |
| <i>Occupational Disability Benefit</i>      | 2/3 of Pay. Annual adjustment to benefit matches COLA listed above.  | Same as current           |
| <i>Non-Occupational Disability Benefit</i>  | Accrued normal retirement benefit  | Same as current           |
| <b><i>Death Benefits - Library</i></b>      |  |                           |
| <i>Pre-Retirement Death Benefit</i>         | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, plus a survivor portion of 50% Joint and Survivor if vested | Same as current           |
| <i>Post-Retirement Death Benefit</i>        | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, reduced 25% per year from retirement                        | Same as current           |

**Town of West Warwick Pension Plan**  
 Exhibit F - Municipal Non-Union  
 Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|---|--|---|
| <b><i>Retirement Benefits - Municipal Non-Union</i></b> |  |   |
| <i>Base Formula</i>                                     | 2.5% x Service x AME<br>AME - Highest 12 months of Pay   | (2.5% x Service through 7/1/2014 + 2.4% x Service after 7/1/2014) x AME<br>AME - Average of highest 3 consecutive years of Pay  |
| <i>Normal Retirement Eligibility</i>                    | Age 60 with 10 years of service or 25 years of service   | Pre 7/1/2014 hires - Age 62 with 12 years of service or 25 years of service<br>Post 7/1/2014 hires - Age 62 with 12 years of service or Age 55 with 25 years of service |
| <i>Pay Definition</i>                                   | Benefit Purposes - Basic rate of annual earnings and longevity payments<br><br>Employee Contribution Purposes - Basic rate of annual earnings and longevity payments | Benefit Purposes - Same as current<br><br>Employee Contribution Purposes - Same as current  |
| <i>COLA</i>   | 2.25% per year for 15 years  | Suspend COLA for first 5 years of retirement followed by 15 years of a compounded 2.00% COLA  |
| <i>Participant Contributions</i>                        | 9.0% of Pay  | 11.0% of Pay  |
| <i>Early Retirement Eligibility</i>                     | Department head at Age 50 with 10 years of service - benefit unreduced   | Same as current   |
| <i>Vesting</i>  | 10 years of service  | 12 years of service   |
| <i>Normal Form of Payment</i>                           | 67.5% Joint and Survivor Annuity with guaranteed return of contributions   | Same as current   |

**Town of West Warwick Pension Plan**

Exhibit F - Municipal Non-Union

Summary of Current Plan Provisions and Proposed Plan Changes

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|   | <b>Current Provision</b>   | <b>Proposed Provision</b> |
|---|--|---------------------------|
| <b><i>Disability Benefits - Municipal Non-Union</i></b> |  |                           |
| <i>Occupational Disability Benefit</i>                  | 2/3 of Pay. Annual adjustment to benefit matches COLA listed above.  | Same as current           |
| <i>Non-Occupational Disability Benefit</i>              | Accrued normal retirement benefit  | Same as current           |
| <b><i>Death Benefits - Municipal Non-Union</i></b>      |  |                           |
| <i>Pre-Retirement Death Benefit</i>                     | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, plus a survivor portion of 50% Joint and Survivor if vested | Same as current           |
| <i>Post-Retirement Death Benefit</i>                    | \$400 times service, with a minimum of \$2,000 and a maximum of \$8,000, reduced 25% per year from retirement                        | Same as current           |

**Town of West Warwick Pension Plan**

Exhibit F - Inactives

Summary of Current Plan Provisions and Proposed Plan Changes

|   | <b>Current Provision</b>   | <b>Proposed Provision</b>   |
|---|--|---|
| <b><i>Retirees and Deferred Vesteds</i></b> |  |   |
| <i>COLA (Police)</i>                        | 2.00% per year for 10 years effective 7/1/1991<br>2.25% per year for 15 years effective 7/1/2000 | COLA delayed 5 years. After delay, COLA resumes for members who have remaining increases.   |
| <i>COLA (Fire)</i>                          | 2.00% per year for 10 years effective 7/1/1991<br>2.25% per year for 15 years effective 7/1/2002 | COLA delayed 5 years. After delay, COLA resumes for members who have remaining increases.   |
| <i>COLA (All Others)</i>                    | 2.00% per year for 5 years effective 7/1/1999<br>2.25% per year for 15 years effective 7/1/2002  | COLA delayed 5 years. After delay, COLA resumes for members who have remaining increases.   |
| <b><i>Disabled (Police &amp; Fire)</i></b>  |  |   |
| <i>Benefit Amount</i>                       | 2/3 of Pay   | Same as current   |
| <i>Pay</i>                                  | Basic rate of annual earnings  | Members of Collective Bargaining Unit at 9/1/2011 - Basic rate of annual earnings, longevity payments, holiday pay, and EMT pay<br><br>Other Disabled Members - Basic rate of annual earnings and longevity payments                                  |
| <i>COLA</i>                                 | Annually adjusted by same percentage as active employees in same position at time of disability  | COLA delayed 5 years. Beginning 7/1/2019, members receive a 2.0% compounded COLA for 5 years. Beginning 7/1/2024, members receive a 3.0% compounded COLA for 5 years. After the 7/1/2028 increase, members will receive no additional COLA increases. |