

City of Ionia Annual Pension Summary

Investment Fiduciaries: MERS of Michigan

Systems Service Providers:

- MERS of Michigan
- CBIZ Retirement Plan Services (actuary)

System's changes in net plan assets:

Balance 1/1/2017 \$ 9,929,351.88

Balance 12/31/2017 \$ 11,201,942.67

Change in net assets \$ 1,272,590.79

Systems Funded Ratio: 50%

Investment Performance:

- 1 year: 10.85%
- 3 years: 5.32%
- 5 years: 8.30%
- 7 years: 8.18%
- 10 years: 5.11%

System Administration & Investment Expenses: At December 31, 2016, the cost of the Defined Benefit Plan was 0.39% (0.21% for administration and 0.18% for investments)

Number of Active Employees in the Pension System: 44

Number of Retirees/Beneficiaries in the Pension System: 58

The Average Annual Retirement Allowance: \$22,081.78

Total Annual Retirement Allowance: \$1,280,743.00

Valuation Payroll for Active Employees: \$2,959,191.00

Normal Cost for Pension Plan: \$ 346,236.00

Total Computed Employer Contribution: \$1,139,484.00

Actuarial Investment Return: 7.75%

Actuarial Long Term Inflation Rate: 3.75%

Smoothing Method: 5 years

Amortization Method: 23 years

Actuarial Cost Method: Entry age normal method is used.

Membership Status:

- Divisions:
 - General Clerical (01) – Closed
 - Public Safety (02) – Closed
 - Teamsters Public Works (00) – Closed
 - General Department Head (12) – Open
 - City Clerk (13) – Closed
 - Public Safety POAM (20) – Closed
 - General Clerical Hybrid (HA) – Open
 - Teamsters Public Works Hybrid (HB) – Open
 - Public Safety POAM Hybrid (HC) – Open

Health Care Inflation: n/a

Travel Report: n/a

Compliance under Section 20(h)(7)

The City of Ionia has closed the majority of the defined benefit plans to new hires as new hires are now placed into hybrid plans. Also over the past 4 years, the City has contributed an extra \$555,000 above the annual required contributions.