

**City of Livonia
Police and Fire Revised Retirement Plan**

SUMMARY ANNUAL REPORT TO MEMBERS

NOVEMBER 30, 2022

Dear Livonia Police and Fire Revised Retirement Plan Member:

The Retirement Plan is designed to help you meet your financial needs of you and your family by providing a pension in the event you should retire, become disabled, or die.

The benefits are being administered by the City of Livonia and funded by contributions and investment earnings. The System retains professional advisors to assist in fulfilling its responsibilities.

The summary report has been prepared to give you a brief overview of the Retirement System and how it operates. We hope you will find it useful and informative. However, this summary is not intended to cover all the details of the Retirement System, which is governed by the provisions of the City's charter, the City's retirement ordinance, and any applicable collective bargaining agreements. Additional information about the Retirement System and its financial operation is available in the Department of Human Resources and the Treasurer's office.

Respectfully submitted,

Board of Trustees

William Tyree (Chair) | Mark LaBerge (Treasurer) | Kathleen McIntyre | Gerald Sabo | James Wenson

Investment Consultant

John Krakowiak, Morgan Stanley/Graystone

Investment Managers

Joseph Beauparlant, Loomis Sayles

Actuary

Nyhart

Legal Counsel

VanOverbeke, Michaud & Timmony, P.C.

SUMMARY RESULTS OF ACTUARIAL VALUATION

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Nyhart, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity.

Funded Status

Actuarial Accrued Liabilities	\$4,817,234
Actuarial Value of Assets	\$4,740,568
Percent Funded	98.41%

Plan Membership

Active Member:	159
Payroll	\$12,593,492
Retirees	0
Total Annual Benefits	n/a
Average Annual Benefit	n/a
Terminated Members (due refund)	11

Computed City Contributions

	11/30/2021	11/30/2022
Actuarial Accrued Liability	\$1,710,053	\$4,817,234
Funding Value of Assets	1,966,156	4,740,568
Unfunded Actuarial Accrued Liability (UAAL)	(256,103)	76,666
Total Required City Contribution	\$1,955,113	\$2,171,540
City Contribution as a Percent of Pay	20.34%	17.59%
Total Normal Cost	\$2,565,865	\$3,011,099
Total Normal Cost as a Percent of Pay	26.34%	23.91%

Required Contribution for FYE 2022

Total Required Contribution	\$1,756,383
Actual Employer Contribution	\$1,756,383
Percent Contributed	100%

SUMMARY RESULTS OF ACTUARIAL VALUATION

Market Value Rate of Return

	Average Annual Rate of Return
Period Ending November 31, 2022	
1 Year	(10.2%)
3 Years	n/a
5 Years	n/a
7 Years	n/a
10 Years	n/a

Changes in Plan Assets for 2021

Balance on December 1, 2021	\$1,966,156
Receipts	
Employers' contributions	\$1,756,383
Employee's contributions	935,795
Investment income	(316,429)
Disbursements	
Benefit payments	8,790
Investment expenses	13,021
Administrative expenses	27,554
Balance on November 30, 2022	\$4,292,540

Projected Expenditures

	Year Ending 11/30/2023
Administrative	\$29,000
Investment	\$14,000
Memberships, Training, Education, and Travel	\$5,000

Actuary's Opinion

It is the actuary's opinion that the contribution rates recommended are sufficient to meet the Retirement System's financial objective. For a complete analysis, please review the November 30, 2022 actuarial valuation report.

BRIEF SUMMARY OF ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS

Actuarial Assumptions

Actuarial cost method	Entry Age Normal
Amortization method	Amortization of UAAL using level percentage of payroll
Remaining amortization period	17-years
Asset valuation method	5 Year Smoothed Market
Investment rate of return	7.00%
Projected salary increases	2.50%

	Eligibility	Straight Life Amount
Normal Retirement	25 years of service regardless of age, or age 52 with 15 or more years of service.	2.5% of average final compensation (AFC) per year of service up to a maximum of 75% of AFC.
Deferred Retirement	15 years of service	Same as NRB using service and AFC at termination

The System also provides early retirement, late retirement, disability and death-in-service survivor benefits which you or your spouse may be eligible to receive.