Prilago. · PDF p.139 Excerpt



**10. Vesting (Adopted July 1, 2021)**

The following table illustrates the assumed probability that vested terminating members will elect to receive deferred benefits instead of withdrawing accumulated contributions.

| Age | Fire and Police | General Employees | | Teachers | |
|---|---|---|---|---|---|
| | | Male | Female | Male | Female |
| 25 | 60% | 68% | 71% | 90% | 78% |
| 35 | 60 | 76 | 76 | 80 | 86 |
| 45 | 76 | 78 | 79 | 85 | 88 |
| 55 | N/A | N/A | N/A | N/A | N/A |

**11. Deferred Inactive Member Retirement (Adopted July 1, 2021).**

Vested inactive members not currently receiving benefits are assumed to commence their benefits at the later of the member's current age or age 62 (age 55 for fire and police members).

For non-vested inactive members not currently receiving benefits, the present value of benefits is equal to the accumulated member contributions.

12. **Form of Payment (Adopted July 1, 2021)**

Upon commencement of early, service, or disability retirement members are assumed to elect annuity payment forms at the following rates:

- 29% will elect a 100% Contingent Annuitant Allowance
- 14% will elect a 50% Contingent Annuitant Allowance
- 57% will elect a single life annuity

If death occurs in active or disability retirement status, 15% are assumed to have an eligible surviving spouse that elects an annuity (the spouse is assumed to be two years younger than the male members and two years older than the female members). The remaining 85% are assumed to receive the lump sum payment option (either because they have no eligible spouse or the spouse elected a lump sum).

**13. Growth in Membership (Adopted July 1, 2021)**

In general, the combined effects of stable active membership and salary levels are assumed to produce a 3.05% average annual expansion in the payroll of covered members.

**14. Interest on Employee Contributions (Adopted July 1, 2016, and re-examined in 2021))**

The credited interest rate on employee contributions is assumed to be 8.50%.

**15. Postretirement Benefit Increases (Cost of Living Adjustments)**

A nondiscretionary postretirement increase of 1% per year is assumed for the valuation. See Exhibit 3 for total discretionary and nondiscretionary increases granted by the Board for the past ten years.