

**Ft. Lupton Fire Protection District
Pension Fund**

**Actuarial Review as of
As of January 1, 2015**

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Ft. Lupton Fire Protection District
Pension fund

Actuarial Review as of January 1, 2015

Certification of Actuarial Valuation

This actuarial valuation was prepared based on benefits that are available in accordance with Colorado State statutes. It has also been prepared in accordance with generally accepted actuarial principles. This study was prepared to demonstrate that the current benefits, as described in this report, can be supported by the fund.

This study is based on member and fund data as reported by the Ft. Lupton Fire Protection District.

To the best of my knowledge, the information supplied in this study is complete and accurate and reflects the plan provisions, assumptions, funding method and data as specified in this study. Therefore this valuation fully and fairly discloses the actuarial position of the fund as of January 1, 2015.

ACTUARIAL SOLUTIONS CORP.



Frank J. Dobis, FSA, MAAA
Enrolled Actuary

Ft. Lupton Fire Protection District
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Summary of Principal Plan Provisions

Eligibility for Normal Retirement Pension: Age 50 with 20 years of volunteer service.

Eligibility for Early Retirement Pension: Age 50 with 10 years of volunteer service.

Benefits:

Normal Retirement:	\$50.00 per month per year of service. Maximum pension is \$1,500.00 per month. based on 30 years of volunteer service.
Temporary Disability:	None
Permanent Disability:	None
Death Before Retirement:	50% of firefighters earned pension with 10 or more years of service at the date of death and the following benefit: A lump sum funeral benefit equal to two times the monthly pension the member had earned at the date of death.
Death After Retirement:	50% of the retiree's benefit and a lump sum funeral benefit equal to two times the monthly pension payments the retiree was receiving on the date of death.
Service Pension:	\$50 per month per year of service commencing at age 50 for inactive firefighters with at least 10 years of service.

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Actuarial Assumptions

- Investment Return: 5.00%
(Net of expenses paid from the fund)
- Mortality After Retirement: RP-2000 Mortality Table projected to 2013 by
projection scale AA
- Pre-Retirement Mortality: RP-2000 Mortality Table projected to 2013 by
projection scale AA
- Turnover: T-9 Table
- Disability: None
- Retirement: All fire fighters are assumed to retire upon attainment of age 50,
completion of 10 years of service or January 1, 2013 whichever
is later.
- Actuarial Cost Method: Entry Age Normal
- Expenses: None assumed
- Marriage: 90% of active firefighters are assumed to be married. Female spouses
of an active firefighter assumed to be 3 years younger than their male
spouse. Male spouses are assumed to 3 years older.

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Covered Participants

Valuation Period	<u>Current</u>	<u>Prior</u>
Active	14	41
Average age	36.74	34.29
Average service	7.57	5.49
Normal retired drawing pensions	39	35
Total monthly payments	\$ 24,650	\$ 24,650
Average monthly payment	\$ 847	\$ 704
Average Age	65.02	64.6
Disabled retired drawing pensions	0	0
Total monthly payments	0	0
Average monthly payment	0	0
Beneficiaries drawing pensions	9	8
Total monthly payments	\$ 3,676	\$ 3,676
Average monthly payment	\$ 481	\$ 460
Average Age	76.68	75.9
Vested retired not yet drawing pensions	10	9
Total monthly payments	\$ 4,335	\$ 4,335
Average monthly payment	\$ 574	\$ 482
Average Age	41.72	40.7
 Total members included	 72	 93

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Assets and Expected Revenue as of January 1, 2015:

Value of the Fund as of January 1, 2015	\$4,494,862
Accrued Interest	<u>0</u>
Fair Market Value of the Fund as of January 1, 2013	<u>\$4,494,862</u>

Expected Revenues:	<u>District</u>	<u>State</u>	<u>Total</u>
2013	\$228,989	\$57,682	<u>\$286,671</u>
2014	\$340,644	\$57,682	<u>\$398,326</u>
2015	\$499,692	\$57,682	<u>\$557,374</u>

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	Current Benefit Level
Actuarial Present Value of Future Benefits	<u>\$50.00</u>
Active	\$ 810,480
Normal retired drawing pensions	\$ 5,080,869
Disabled retired drawing pensions	
Beneficiaries drawing pensions	\$ 437,216
Vested retired not yet drawing pensions	<u>\$ 745,856</u>
Total	\$ 7,074,420
Entry Age Normal Accrued Liability	\$ 6,910,343
Fund Balance as of January 1, 2015	\$ 4,494,862
Unfunded Accrued Liability	\$ 2,415,481
Amortization Payment over 20 years	\$ 184,595
Current Service Cost	\$ 35,048
Annual Required Contribution at beginning of year	\$ 219,643
<i>Annual Required Contribution as of the end of the year</i>	<i>\$ 230,625</i>
Approximate number of years from the valuation date over which the current contribution in excess of the Current Service Cost will amortize the Unfunded Accrued Liability	7.00
Actuarially Sound (amortization period derived above must be 20 years or less)	Yes

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\$50.00 Per Year of Service

Projected Cash Flows

<u>Calendar</u> <u>Year</u>	<u>Benefit</u> <u>Payments</u>
2015	400,825
2016	400,183
2017	393,225
2018	391,373
2019	389,081
2020	382,697
2021	378,247
2022	400,664
2023	402,203
2024	394,376
2025	288,325
2026	384,094
2027	392,780
2026	390,126
2027	379,597
2028	368,989
2029	364,745
2030	368,660

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Summary of Principal Plan Provisions
\$300 Benefit

Eligibility for Normal Retirement Pension: Age 50 with 20 years of volunteer service.

Eligibility for Early Retirement Pension: Age 50 with 10 years of volunteer service.

Amount of Pension:

Normal Retirement:	\$15.00 per month per year of service maximum of 20 years.
Temporary Disability:	None
Permanent Disability:	None
Death Before Retirement:	50% of earned pension with 10 years of service
Death After Retirement:	50% of the retiree's benefit.
Funeral Benefit	\$100 Lump sum payment
Service Accrual Pension:	Member who leaves the department with at least 10 years of service is entitled to a monthly benefit of \$15 per month per year of service commencing at age 50.

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Actuarial Review As of January 1, 2015
\$300 Benefit

Actuarial Present Value of Future Benefits

Active	\$230,819
Normal retired drawing pensions	\$1,524,260
Disabled retired drawing pensions	\$0
Beneficiaries drawing pensions	\$131,165
Vested retired not yet drawing pensions	<u>\$23,756</u>
 Total	 \$1,910,000
 Fund Balance as of January 1, 2015	 \$4,494,862
 Present Value of future Normal Cost	 -\$2,584,862
 Average Temporary annuity	 4.3778
 Annual Required Contribution as of the beginning of the year	 \$0
 Annual Required Contribution as of the end of the year	 \$0
 Actuarially Sound	 Yes

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Summary and Conclusions

The fund is actuarially sound for the benefit outlined on page 1 based on the assumptions outlined on page 2 and the expected contributions on page 4. In particular we have assumed that the long term rate of return on the on the fund will average 5.0% per year. The rate of return is net of all expenses that are paid from the fund such as accounting and actuarial fees. fees.