

Borough of Naugatuck

Police Study - New Entrants to DC Plan

All contributions are at the beginning of the year, and will increase 8% to the end of year

The funding Method is Entry Age Normal (EAN) in which the normal cost is designed to be a level percent of payroll.

The proposed plan is 70% at retirement with 20 yrs, (assumed minimum age 48), plus 1% for yrs over 20, max 75%.

Participant contributions are 8% (were 4%).

| Year | Active Counts | Payroll | Payroll for New Entrants Only | Current Plan | Proposed | Contribution Percentage Available for New Entrant DC Plan |
|------|---------------|-----------|-------------------------------|------------------|-------------------|-----------------------------------------------------------|
| | | | | Open Group | Plan Closed Group | |
| | | | | EAN Contribution | EAN Contribution | |
| | | | (a) | (b) | (c) | (b)-(a) / (c) |
| 2010 | 56 | 4,364,981 | 0 | 1,546,497 | 1,767,527 | N/A |
| 2011 | 56 | 4,455,701 | 592,966 | 1,603,137 | 1,761,950 | 0.268 |
| 2012 | 56 | 4,636,550 | 787,047 | 1,591,739 | 1,763,821 | 0.219 |
| 2013 | 56 | 4,747,589 | 887,120 | 1,633,542 | 1,768,613 | 0.152 |
| 2014 | 56 | 4,890,460 | 1,028,045 | 1,677,449 | 1,786,508 | 0.106 |
| 2015 | 56 | 5,096,930 | 1,127,478 | 1,683,055 | 1,795,965 | 0.100 |
| 2016 | 56 | 5,251,389 | 1,263,431 | 1,721,072 | 1,718,931 | (0.002) |
| 2017 | 56 | 5,425,674 | 1,890,138 | 1,758,337 | 1,720,683 | (0.020) |
| 2018 | 56 | 5,627,794 | 2,097,715 | 1,753,849 | 1,656,073 | (0.047) |
| 2019 | 56 | 5,747,027 | 2,521,794 | 1,811,862 | 1,630,073 | (0.072) |
| 2020 | 56 | 5,952,414 | 2,870,591 | 1,867,994 | 1,624,438 | (0.085) |
| 2021 | 56 | 6,216,365 | 3,143,834 | 1,820,087 | 1,549,864 | (0.086) |
| 2022 | 56 | 6,274,036 | 3,617,082 | 1,856,774 | 1,487,950 | (0.102) |
| 2023 | 56 | 6,452,145 | 4,166,900 | 1,848,883 | 1,463,534 | (0.092) |
| 2024 | 56 | 6,527,862 | 4,389,743 | 1,917,894 | 1,462,914 | (0.104) |
| 2025 | 56 | 6,750,310 | 4,667,478 | 1,931,017 | 1,451,062 | (0.103) |
| 2026 | 56 | 6,954,007 | 4,919,865 | 1,920,978 | 1,376,872 | (0.111) |
| 2027 | 56 | 7,065,515 | 5,374,004 | 1,960,421 | 1,246,892 | (0.133) |
| 2028 | 56 | 7,239,115 | 6,300,810 | 2,038,545 | 1,252,268 | (0.125) |
| 2029 | 56 | 7,525,430 | 6,553,308 | 2,055,409 | 1,164,631 | (0.136) |
| 2030 | 56 | 7,781,586 | 7,285,356 | 2,094,600 | 1,166,974 | (0.127) |

24 year unfunded amortization: 577,856 830,834

*All data and assumptions are as per the 7/1/2010 valuation. However, the proposed plan scenario reflects a retirement assumption of 20 years of service, minimum age 48

The costs shown above reflect a 24 year unfunded amortization under the entry age normal funding method.

Assets are at Market Value of \$6,639,102