



RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF WILTON

GASB 67 AND GASB 68 DISCLOSURE

REPORTING AS OF JUNE 30, 2022





Table of Contents

Certification	1
Money-Weighted Rate of Return	2
Schedule of Investment Returns	3
Contributions Compared to ADEC and Payroll	4
Discount Rate Calculation.....	5
Target Allocation and Expected Rate of Return	6
Schedule of Changes in Net Pension Liability and Related Ratios.....	7
Schedule of Net Pension Liability	9
Disclosure Overview as of June 30, 2022	10
Changes in the Net Pension Liability	11
Components of the Pension Expense for the Fiscal Year Ended June 30, 2022.....	12
Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions.....	17
Sensitivity of the Net Pension Liability to Changes in the Discount Rate.....	21
Participant Breakdown as of July 1, 2021.....	21
Description of Significant Changes Prior to Year End.....	22
DROP Balances.....	22
Valuation Date and Roll Forward Process	22
Funding Policy.....	22
Assumption Selection	22
Description of Actuarial Methods	23
Description of Actuarial Assumptions	24
Summary of Principal Provisions	27

All the items listed below are required by GASB 67 and GASB 68 but are not included in this report:

Statement of Changes in Fiduciary Net Position

Statement of Fiduciary Net Position

Investments That Represent 5% or More of the Plan's Fiduciary Net Position

Investment Policy

Pension Board Composition

Authority to Amend Plan

Report Prepared By:

Steve A. Lemanski
Vice President, Practice Leader, Consulting Actuary
860.856.2073
slemanski@hhconsultants.com

Brianne Fayed
Actuarial Specialist
860.856.2072
bfayed@hhconsultants.com



Certification

This report presents the results of the June 30, 2022 GASB 67 and GASB 68 Disclosure for the Retirement Plan for Employees of the Town of Wilton (the Plan). The report is intended to satisfy the requirements of both GASB 67 and GASB 68. This report may not be appropriate for any other purpose.

The report has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with the Actuarial Standards Board Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this disclosure report, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Plan Sponsor or Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this disclosure report are based on the Plan as summarized in the Summary of Plan Provisions section of this report and the actuarial methods and assumptions detailed in the Description of Actuarial Methods and Procedures and Description of Actuarial Assumptions sections of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Steve A. Lemanski, FSA, FCA, MAAA
Enrolled Actuary 20-05506

October 28, 2022



Money-Weighted Rate of Return June 30, 2022

Beg. Value 151,736,569 **Ending Value** 127,991,430

	Date	Employer Contributions	Employee Contributions	Benefit Payments	Admin. Expenses	Period Invested	Period Weight	Net External Cash Flows w/ Interest
Beg. of Yr.	7/1/2021					12	1.000	131,561,291
July	7/31/2021	1,996,625	76,313	(523,015)	(3,222)	11	0.917	1,357,087
August	8/31/2021	-	73,070	(480,910)	(49,129)	10	0.833	(405,744)
September	9/30/2021	-	81,547	(487,137)	(3,248)	9	0.750	(367,350)
October	10/31/2021	-	101,702	(495,105)	(3,112)	8	0.667	(360,538)
November	11/30/2021	-	80,234	(660,781)	(3,298)	7	0.583	(537,221)
December	12/31/2021	-	40,004	(563,625)	(75,776)	6	0.500	(558,128)
January	1/31/2022	-	125,454	(501,803)	(3,216)	5	0.417	(357,659)
February	2/28/2022	-	74,332	(513,775)	(3,098)	4	0.333	(421,987)
March	3/31/2022	-	61,281	(614,173)	(3,060)	3	0.250	(536,472)
April	4/30/2022	-	99,699	(508,076)	(3,079)	2	0.167	(401,787)
May	5/31/2022	-	73,451	(579,958)	(2,907)	1	0.083	(503,393)
June	6/30/2022	-	68,593	(542,005)	(3,257)	0	0.000	(476,669)
End of Yr.	6/30/2022	1,996,625	955,680	(6,470,363)	(156,402)			127,991,430

Money-Weighted Rate of Return

-13.30%



Schedule of Investment Returns Last 9 Fiscal Years

Year Ended June 30:	Annual Money-Weighted Rate of Return, Net of Investment Expense
2014	14.02%
2015	1.86%
2016	0.36%
2017	11.93%
2018	7.17%
2019	6.13%
2020	2.16%
2021	27.06%
2022	-13.30%



Contributions Compared to ADEC and Payroll Schedule of Contributions Last 9 Fiscal Years

	2022	2021	2020	2019	2018
Actuarially determined employer contribution (ADEC)	\$ 1,901,548	\$ 1,957,101	\$ 1,921,094	\$ 1,987,598	\$ 2,321,719
Contributions in relation to the ADEC	1,996,625	3,434	4,072,104	2,086,978	2,437,805
Contribution deficiency (excess)	<u>\$ (95,077)</u>	<u>\$ 1,953,667</u>	<u>\$ (2,151,010)</u>	<u>\$ (99,380)</u>	<u>\$ (116,086)</u>
Covered payroll	\$ 13,791,970	\$ 14,220,259	\$ 14,715,130	\$ 15,539,252	\$ 16,643,071
Contributions as a % of covered payroll	14.48%	0.02%	27.67%	13.43%	14.65%

	2017	2016	2015	2014
Actuarially determined employer contribution (ADEC)	\$ 2,278,522	\$ 2,851,154	\$ 3,005,290	\$ 3,056,746
Contributions in relation to the ADEC	2,392,448	3,136,270	3,456,084	3,515,258
Contribution deficiency (excess)	<u>\$ (113,926)</u>	<u>\$ (285,116)</u>	<u>\$ (450,794)</u>	<u>\$ (458,512)</u>
Covered payroll	\$ 17,102,432	\$ 17,379,052	\$ 17,959,515	\$ 18,413,453
Contributions as a % of covered payroll	13.99%	18.05%	19.24%	19.09%



Discount Rate Calculation

The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where (a) contribution amounts are established by statute or contract or (b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover expected benefit payments and administrative expenses.

Plans that are projected to have sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency.

GASB permits alternative methods to evaluate the sufficiency of the plan's net fiduciary position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 6.875% interest rate assumption to discount plan liabilities.



Target Allocation and Expected Rate of Return

Actuarial Valuation as of July 1, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Core Fixed Income	21.00%	1.25%	0.26%
Global Fixed Income	5.00%	0.75%	0.04%
High Yield Fixed Income	2.50%	4.00%	0.10%
U.S. Large Cap	22.00%	5.25%	1.16%
U.S. Small Cap	8.00%	5.75%	0.46%
International Developed	20.00%	5.75%	1.15%
Emerging Markets	10.00%	7.75%	0.78%
Inflation Protection Fixed Income	1.50%	0.75%	0.01%
Private Debt	5.00%	4.75%	0.24%
Real Estate	5.00%	5.75%	0.29%
	100.00%		4.49%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			7.09%

**Long-Term Real Returns are provided by HHIA. The returns are geometric means.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 6.875% was used.

The July 1, 2021 Actuarial Valuation directly calculated the July 1, 2021 Total Pension Liability (TPL). The July 1, 2021 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2022.



Schedule of Changes in Net Pension Liability and Related Ratios Last 9 Fiscal Years

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 2,359,413	\$ 2,460,587	\$ 2,592,393	\$ 2,657,219	\$ 2,756,790
Interest	9,159,440	8,831,316	8,559,770	8,175,548	7,979,014
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,654,615)	8,165	(901,294)	902,058	(717,710)
Changes of assumptions	-	-	-	(408,250)	(1,716,293)
Benefit payments, including refunds of member contributions	(6,470,363)	(6,383,472)	(5,962,135)	(5,393,423)	(5,295,342)
Net change in total pension liability	3,393,875	4,916,596	4,288,734	5,933,152	3,006,459
Total pension liability - beginning	134,050,208	129,133,612	124,844,878	118,911,726	115,905,267
Total pension liability - ending: (a)	<u>\$ 137,444,083</u>	<u>\$ 134,050,208</u>	<u>\$ 129,133,612</u>	<u>\$ 124,844,878</u>	<u>\$ 118,911,726</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,996,625	\$ 3,434	\$ 4,072,104	\$ 2,086,978	\$ 2,437,805
Contributions - member	955,680	1,017,518	1,053,980	1,159,715	1,215,697
Net investment income (loss)	(20,070,679)	32,986,168	2,614,853	7,124,718	7,949,531
Benefit payments, including refunds of member contributions	(6,470,363)	(6,383,472)	(5,962,135)	(5,393,423)	(5,295,342)
Administrative expenses	(156,402)	-	-	-	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	(23,745,139)	27,623,648	1,778,802	4,977,988	6,307,691
Plan fiduciary net position - beginning	151,736,569	124,112,921	122,334,119	117,356,131	111,048,440
Plan fiduciary net position - ending: (b)	<u>127,991,430</u>	<u>151,736,569</u>	<u>124,112,921</u>	<u>122,334,119</u>	<u>117,356,131</u>
Net pension liability - ending: (a) - (b)	<u>\$ 9,452,653</u>	<u>\$ (17,686,361)</u>	<u>\$ 5,020,691</u>	<u>\$ 2,510,759</u>	<u>\$ 1,555,595</u>
Plan fiduciary net position as a % of total pension liability	93.12%	113.19%	96.11%	97.99%	98.69%
Covered payroll	\$ 13,791,970	\$ 14,220,259	\$ 14,715,130	\$ 15,539,252	\$ 16,643,071
Net pension liability as a % of covered payroll	68.54%	-124.37%	34.12%	16.16%	9.35%



	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 2,773,844	\$ 2,957,904	\$ 2,835,173	\$ 2,506,840
Interest	7,613,502	7,847,615	7,218,115	6,757,679
Changes of benefit terms	-	-	836,836	-
Differences between expected and actual experience	(70,700)	(30,688)	(939,929)	-
Changes of assumptions	-	(5,417,785)	4,399,410	-
Benefit payments, including refunds of member contributions	(4,680,954)	(4,466,224)	(3,333,463)	(3,153,692)
Net change in total pension liability	5,635,692	890,822	11,016,142	6,110,827
Total pension liability - beginning	110,269,575	109,378,753	98,362,611	92,251,784
Total pension liability - ending: (a)	<u>\$ 115,905,267</u>	<u>\$ 110,269,575</u>	<u>\$ 109,378,753</u>	<u>\$ 98,362,611</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,392,448	\$ 3,136,270	\$ 3,456,084	\$ 3,515,258
Contributions - member	964,971	1,228,214	1,300,461	1,151,292
Net investment income (loss)	12,015,801	360,473	1,839,007	12,013,343
Benefit payments, including refunds of member contributions	(4,680,954)	(4,466,224)	(3,333,463)	(3,153,692)
Administrative expenses	-	-	-	-
Other	-	-	-	-
Net change in plan fiduciary net position	10,692,266	258,733	3,262,089	13,526,201
Plan fiduciary net position - beginning	100,356,174	100,097,441	96,835,352	83,309,151
Plan fiduciary net position - ending: (b)	<u>111,048,440</u>	<u>100,356,174</u>	<u>100,097,441</u>	<u>96,835,352</u>
Net pension liability - ending: (a) - (b)	<u>\$ 4,856,827</u>	<u>\$ 9,913,401</u>	<u>\$ 9,281,312</u>	<u>\$ 1,527,259</u>
Plan fiduciary net position as a % of total pension liability	95.81%	91.01%	91.51%	98.45%
Covered payroll	\$ 17,102,432	\$ 17,379,052	\$ 17,959,515	\$ 18,413,453
Net pension liability as a % of covered payroll	28.40%	57.04%	51.68%	8.29%



Schedule of Net Pension Liability Last 10 Fiscal Years

	2022	2021	2020	2019	2018
Total pension liability*	\$ 137,444,083	\$ 134,050,208	\$ 129,133,612	\$ 124,844,878	\$ 118,911,726
Plan fiduciary net position	127,991,430	151,736,569	124,112,921	122,334,119	117,356,131
Net pension liability (asset)	\$ 9,452,653	\$ (17,686,361)	\$ 5,020,691	\$ 2,510,759	\$ 1,555,595
Plan fiduciary net position as a % of total pension liability	93.12%	113.19%	96.11%	97.99%	98.69%
Covered payroll	\$ 13,791,970	\$ 14,220,259	\$ 14,715,130	\$ 15,539,252	\$ 16,643,071
Net pension liability as a % of covered payroll	68.54%	-124.37%	34.12%	16.16%	9.35%

	2017	2016	2015	2014	2013
Total pension liability*	\$ 115,905,267	\$ 110,269,575	\$ 109,378,753	\$ 98,362,611	\$ 92,251,784
Plan fiduciary net position	111,048,440	100,356,174	100,097,441	96,835,352	83,309,151
Net pension liability (asset)	\$ 4,856,827	\$ 9,913,401	\$ 9,281,312	\$ 1,527,259	\$ 8,942,633
Plan fiduciary net position as a % of total pension liability	95.81%	91.01%	91.51%	98.45%	90.31%
Covered payroll	\$ 17,102,432	\$ 17,379,052	\$ 17,959,515	\$ 18,413,453	\$ 18,996,097
Net pension liability as a % of covered payroll	28.40%	57.04%	51.68%	8.29%	47.08%

*Total pension liability calculated using the Entry Age Normal Actuarial Cost Method, as required by paragraph 46 of GASB Statement 67.



Disclosure Overview as of June 30, 2022

	Plan's Funded Status			Deferred Outflows/(Inflows) of Resources			Recognized in Net Pension Liability	Recognized in Total Pension Expense
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Experience (Gains)/ Losses	Assumption Changes	Investment (Gains)/ Losses		
Balances -- prior year disclosure	(134,050,208)	151,736,569	17,686,361	(451,171)	131,638	(15,973,040)	17,686,361	
Changes in net pension liability:								
Service cost	(2,359,413)		(2,359,413)					2,359,413
Interest	(9,159,440)		(9,159,440)					9,159,440
Net investment income (loss)		(20,070,679)	(20,070,679)					20,070,679
Contributions - employer		1,996,625	1,996,625				1,996,625	
Contributions - member		955,680	955,680					(955,680)
Changes of benefit terms	-		-					-
Benefit payments, including refunds of member contributions	6,470,363	(6,470,363)	-					
Administrative expense		(156,402)	(156,402)					156,402
Other		-	-					-
Recognized in total pension expense								
Differences between expected and actual experience				764,715			(764,715)	(764,715)
Changes of assumptions					(111,235)		111,235	111,235
Differences between projected and actual earnings on pension plan						(2,402,305)	2,402,305	2,402,305
Deferred outflows/inflows of resources								
Differences between expected and actual experience	1,654,615		1,654,615	(1,654,615)			1,654,615	
Changes of assumptions	-		-		-		-	
Differences between projected and actual earnings on pension plan						30,378,357	(30,378,357)	(30,378,357)
Total pension expense							(2,160,722)	2,160,722
Balances -- end of year	(137,444,083)	127,991,430	(9,452,653)	(1,341,071)	20,403	12,003,012	(9,452,653)	



Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2021	\$ 134,050,208	\$ 151,736,569	\$ (17,686,361)
Changes for the year:			
Service cost	2,359,413		2,359,413
Interest	9,159,440		9,159,440
Differences between expected and actual experience	(1,654,615)		(1,654,615)
Changes of benefit terms	-		-
Changes of assumptions	-		-
Contributions - employer		1,996,625	(1,996,625)
Contributions - member		955,680	(955,680)
Net investment income (loss)		(20,070,679)	20,070,679
Benefit payments, including refunds of member contributions	(6,470,363)	(6,470,363)	-
Administrative expense		(156,402)	156,402
Other		-	-
Net changes	<u>3,393,875</u>	<u>(23,745,139)</u>	<u>27,139,014</u>
Balances at June 30, 2022	<u>\$ 137,444,083</u>	<u>\$ 127,991,430</u>	<u>\$ 9,452,653</u>



Components of the Pension Expense for the Fiscal Year Ended June 30, 2022

Description	Amount
Service cost	\$ 2,359,413
Interest on the total pension liability	9,159,440
Differences between expected and actual experience	(764,715)
Changes of assumptions	111,235
Changes of benefit terms	-
Member contributions	(955,680)
Projected earnings on pension plan investments	(10,307,678)
Differences between projected and actual earnings on plan investments	2,402,305
Pension plan administrative expense	156,402
Other changes in fiduciary net position	-
Total pension expense	\$ 2,160,722



Increase (Decrease) in Pension Expense from the Recognition of the Effects of Differences Between Expected and Actual Experience

Year	Differences between Expected and Actual Experience		Recognition Period (Years)				
			2022	2023	2024	2025	
2015	\$	(939,929)	8.2	\$ (114,625)	\$ (22,929)		
2017		(70,700)	5.5	(6,425)			
2018		(717,710)	5.1	(140,727)	(14,075)		
2019		902,058	4.6	196,100	117,658		
2020		(901,294)	4.2	(214,594)	(214,594)	\$ (42,918)	
2021		8,165	3.7	2,207	2,207	1,544	
2022		(1,654,615)	3.4	<u>(486,651)</u>	<u>(486,651)</u>	<u>(486,651)</u>	<u>\$ (194,662)</u>
Net increase (decrease) in pension expense				<u>\$ (764,715)</u>	<u>\$ (618,384)</u>	<u>\$ (528,025)</u>	<u>\$ (194,662)</u>



Increase (Decrease) in Pension Expense from the Recognition of the Effects of Changes of Assumptions

Year	Changes of Assumptions	Recognition Period (Years)	Recognition			
			2022	2023	2024	2025
2015	\$ 4,399,410	8.2	\$ 536,513	\$ 107,306		
2017	-	5.5	-			
2018	(1,716,293)	5.1	(336,528)	(33,653)		
2019	(408,250)	4.6	(88,750)	(53,250)		
2020	-	4.2	-	-	\$ -	
2021	-	3.7	-	-	-	
2022	-	3.4	-	-	-	\$ -
Net increase (decrease) in pension expense			<u>\$ 111,235</u>	<u>\$ 20,403</u>	<u>\$ -</u>	<u>\$ -</u>



**Increase (Decrease) in Pension Expense from the Recognition of Differences between
 Projected and Actual Earnings on Pension Plan Investments**

Year	Differences between Projected and Actual Earnings on Pension Plan Investments		Recognition Period (Years)				
	Investments	Recognition Period (Years)	2022	2023	2024	2025	2026
2018	\$ (370,451)	5	\$ (74,091)				
2019	870,949	5	174,190	\$ 174,189			
2020	5,767,356	5	1,153,471	1,153,471	\$ 1,153,472		
2021	(24,634,678)	5	(4,926,936)	(4,926,936)	(4,926,936)	\$ (4,926,934)	
2022	30,378,357	5	<u>6,075,671</u>	<u>6,075,671</u>	<u>6,075,671</u>	<u>6,075,671</u>	<u>\$ 6,075,673</u>
Net increase (decrease) in pension expense			<u>\$ 2,402,305</u>	<u>\$ 2,476,395</u>	<u>\$ 2,302,207</u>	<u>\$ 1,148,737</u>	<u>\$ 6,075,673</u>



Interest on the Total Pension Liability Recognized in Expense

	Amount for Period	Portion of Period	Interest Rate	Interest on the Total Pension Liability
Beginning total pension liability	\$ 134,050,208	100%	6.875%	\$ 9,215,952
Service cost	2,359,413	100	6.875	162,210
Benefit payments, including refunds of member contributions	(6,470,363)	50	6.875	<u>(218,722)</u>
Total interest on the pension liability				\$ 9,159,440

Projected Earnings on Pension Plan Investments Recognized in Expense

	Amount for Period	Portion of Period	Projected Rate of Return	Projected Earnings
Beginning plan fiduciary net position	\$ 151,736,569	100%	6.875%	\$ 10,431,889
Contributions - employer	1,996,625	50	6.875	67,493
Contributions - member	955,680	50	6.875	32,305
Benefit payments, including refunds of member contributions	(6,470,363)	50	6.875	<u>(218,722)</u>
Administrative expense and other	(156,402)	50	6.875	<u>(5,287)</u>
Total projected earnings				\$ 10,307,678



Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2022, the recognized pension expense is \$2,160,722. As of June 30, 2022, deferred outflows and inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,409	\$ (1,462,480)
Changes of assumptions	107,306	(86,903)
Net difference between projected and actual earnings on pension plan investments	12,003,012	
Total	<u>\$ 12,231,727</u>	<u>\$ (1,549,383)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ended June 30:	
2023	\$ 1,878,414
2024	1,774,182
2025	954,075
2026	6,075,673
2027	-
Thereafter	-



Deferred Outflows and Inflows of Resources from Differences Between Expected and Actual Experience

Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense through June 30, 2022 (c)	Balances at June 30, 2022	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2015		\$ (939,929)	\$ (917,000)		\$ (22,929)
2018		(717,710)	(703,635)		(14,075)
2019	\$ 902,058		784,400	\$ 117,658	
2020		(901,294)	(643,782)		(257,512)
2021	8,165		4,414	3,751	
2022		(1,654,615)	(486,651)		(1,167,964)
				<u>\$ 121,409</u>	<u>\$ (1,462,480)</u>



Deferred Outflows and Inflows of Resources from Changes of Assumptions

Year	Increases in the Total Pension Liability (a)	Decreases in the Total Pension Liability (b)	Amounts Recognized in Pension Expense through June 30, 2022 (c)	Balances at June 30, 2022	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2015	\$ 4,399,410		\$ 4,292,104	\$ 107,306	
2018		\$ (1,716,293)	(1,682,640)		\$ (33,653)
2019		(408,250)	(355,000)		(53,250)
				<u>\$ 107,306</u>	<u>\$ (86,903)</u>



Deferred Outflows and Inflows of Resources from Differences Between Projected and Actual Earnings on Pension Plan Investments

Year	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense through June 30, 2022 (c)	Balances at June 30, 2022	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2019	\$ 870,949		\$ 696,760	\$ 174,189	
2020	5,767,356		3,460,413	2,306,943	
2021		\$ (24,634,678)	(9,853,872)		\$ (14,780,806)
2022	30,378,357		6,075,671	24,302,686	
				<u>\$ 26,783,818</u>	<u>\$ (14,780,806)</u>



Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Current Discount Rate (6.875%)	1% Decrease (5.875%)	1% Increase (7.875%)
Net pension liability as of June 30, 2022	\$ 9,452,653	\$ 26,978,092	\$ (5,194,065)

Participant Breakdown as of July 1, 2021

	Participant Count
Inactive plan members or beneficiaries currently receiving benefits	273
Inactive plan members entitled to but not yet receiving benefits	55
Active plan members	193
Total members	521



Description of Significant Changes Prior to Year End

There were no significant plan changes since the last published valuation.

DROP Balances

Currently, there is no Deferred Retirement Option Plan (DROP). Therefore, the DROP balances are \$0.

Valuation Date and Roll Forward Process

The Plan Sponsor uses the July 1, 2020 Actuarial Valuation to calculate the ADEC for the fiscal year ending 2022.

The July 1, 2021 Actuarial Valuation directly calculated the July 1, 2021 Total Pension Liability (TPL). The July 1, 2021 TPL was increased by service cost and interest and decreased by benefit payments to estimate the TPL as of June 30, 2022. The TPL as of June 30, 2022 was also adjusted to reflect any material plan changes after the valuation, if applicable.

Funding Policy

The Plan Sponsor's Funding Policy is to contribute the ADEC plus additional amounts in accordance with the following schedule:

Funded %*	Funding Policy Additional Contribution**
Less than 85.0%	20%
85.0% to 89.9%	15%
90.0% to 94.9%	10%
95.0% to 99.9%	5%
At or above 100.0%	0%

* Using Actuarial Value of Assets

** Of calculated contribution

Assumption Selection

The selections of all assumptions used in determining the total pension liability were made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2009 through July 1, 2014.



Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year.

Actuarial Cost Method

Cost method for determining the GASB liability: Entry Age Normal Actuarial Cost Method (level percentage of salary).

Cost method for determining the ADEC: Projected Unit Credit Actuarial Cost Method

Normal Cost: Under this method, the normal cost equals the total present value of the benefits accruing for all members during the upcoming year, increased to reflect salaries projected to the assumed retirement date.

Unfunded Accrued Liability: The actuarial accrued liability equals the present value of all benefits accrued to date, increased to reflect salaries for all active members. The actuarial accrued liability is reduced by plan assets to develop the unfunded accrued liability.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the actuarial accrued liability and are amortized at the same rate the plan is amortizing the remaining unfunded accrued liability.



Description of Actuarial Assumptions

Actuarial Assumptions as of July 1, 2021

Mortality

RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to measurement date with Scale MP-2018.

Mortality Improvement

Projected to date of decrement using Scale MP-2018 (generational).

Interest

6.875% per year.

Payroll Growth

3.50%.

Inflation

2.60%.

Retirement Age

Police Retirement Probability

Age	<30 Yrs. Svc.	> 30 Yrs. Svc.
<45	2.5%	0.0%
45-49	15.0%	5.0%
50-54	10.0%	25.0%
55-59	5.0%	10.0%
60-64	10.0%	10.0%
65	100.0%	100.0%

Plan 3

Age	Retirement Probability
<55	0.0%
55-59	6.0%
60-64	6.0%
65	30.0%
66-74	15.0%
75-78	33.3%
79	100.0%



Retirement Age (cont.)

Fire

Age	Retirement Probability
<50	5.0%
50-54	10.0%
55-59	10.0%
60-61	20.0%
62-64	10.0%
65	100.0%

Salary Scale

Police/Fire Salary Scale

Service	Police	Fire
0	8.50%	8.00%
1	8.50%	8.00%
2	8.50%	8.00%
3	8.50%	8.00%
4	8.50%	8.00%
5	8.50%	8.00%
6	8.50%	3.00%
7	3.00%	

Service	Plan 3 Salary Scale*
1	5.50%
2	5.50%
3	5.50%
4	5.50%
5	5.50%
6	5.50%
7	5.50%
8	3.00%

* Board of Ed uses 3.50% salary scale for all service.

No future salary increases are assumed when computing the value of either the accrued or vested benefits.

Cost of Living Increases

Pension benefits to retirees are assumed to increase by 2.5% each year.



Turnover

Police/Fire Turnover

Age	Male and Female
<30	5.00%
30-34	3.75%
35-39	2.50%
40-44	1.50%
45-49	0.75%
50+	0.00%

Non-Certified Board of Education Turnover

Service	Male and Female
≤ 1	13.00%
2	12.00%
3	8.00%
4	7.00%
5-9	5.00%
10-20	2.50%

Town/Library/School Lunch Turnover

Service	Male and Female
≤ 4	0.00%
5-20	1.50%

Spouse's and Disability Benefits

No service connected deaths are assumed to occur during the year. Actuarial liabilities are costed explicitly for non-service connected death benefits.

Service connected disabilities are assumed to occur at the following (sample) rates:

Age	Rate
30	0.00064
35	0.00098
40	0.00158
45	0.00259
50	0.00448

The actuarial assumptions shown above are based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2015.

Expenses

An estimate of actual administrative expenses to be paid from the plan will be included in the annual contribution (investment expenses are deducted from investment return of the fund and are not included in administrative expenses). The estimated expenses for the 2020-2021 year are \$220,000.



Summary of Principal Provisions

	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters												
Eligibility:	<p>Full-time employee, customarily employed for more than 20 hours per week and more than 5 months per year, and not covered by any other non-governmental retirement plan contributed to by State funds.</p> <p>Police employees become active participants on their date of employment.</p> <p>Employees hired or rehired on or after April 2, 2015 are not eligible to participate in the plan.</p>	<p>Full-time employee, customarily employed for more than 20 hours per week and more than 5 months per year, and not covered by any other non-governmental retirement plan contributed to by State funds.</p> <p>Employees hired or rehired after the date indicated below are not eligible to participate in the plan:</p> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Union</u></th> <th style="text-align: left;"><u>Effective Date</u></th> </tr> </thead> <tbody> <tr> <td>Non-Union</td> <td>July 1, 2007</td> </tr> <tr> <td>AFSCME</td> <td>July 1, 2007</td> </tr> <tr> <td>Library Assoc.</td> <td>June 1, 2009</td> </tr> <tr> <td>BOE Custodians</td> <td>July 1, 2010</td> </tr> <tr> <td>BOE Discretionary and WAESCA</td> <td>July 1, 2011</td> </tr> </tbody> </table>	<u>Union</u>	<u>Effective Date</u>	Non-Union	July 1, 2007	AFSCME	July 1, 2007	Library Assoc.	June 1, 2009	BOE Custodians	July 1, 2010	BOE Discretionary and WAESCA	July 1, 2011	<p>Full-time employee, customarily employed for more than 20 hours per week and more than 5 months per year, and not covered by any other non-governmental retirement plan contributed to by State funds.</p> <p>Fire Fighter employees become active participants on their date of employment.</p>
<u>Union</u>	<u>Effective Date</u>														
Non-Union	July 1, 2007														
AFSCME	July 1, 2007														
Library Assoc.	June 1, 2009														
BOE Custodians	July 1, 2010														
BOE Discretionary and WAESCA	July 1, 2011														
Normal Retirement: Eligibility:	<p>Age requirement:</p> <ul style="list-style-type: none"> 55 prior to July 1, 1993 54 effective July 1, 1993 53 effective July 1, 1994 52 effective July 1, 1995 51 effective July 1, 1996 50 effective July 1, 1997 48 effective July 1, 2005 <p>Service requirement: 20 years</p>	<p>Age requirement: Age 65.</p> <p>Service requirement: 10 years for Town and Library Members, alternative eligibility of Rule of 80, effective July 1, 2002 for Board of Education – Discretionary and WAESCA – effective July 1, 2006 and for Board of Education Custodians – effective July 1, 2013).</p> <p>Effective July 1, 2011, Board of Education and Discretionary and WAESCA have a 5 year service requirement.</p>	<p>Age requirement:</p> <ul style="list-style-type: none"> Age 50 effective July, 1997 and if DOH < July 1, 2015 Age 52 if DOH ≥ July 1, 2015 <p>Service requirement:</p> <ul style="list-style-type: none"> 20 prior to July 1, 1993 21 effective July 1, 1993 22 effective July 1, 1994 23 effective July 1, 1995 24 effective July 1, 1996 25 effective July 1, 1997 												



	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters
Normal Retirement (continued):		<p>Part III - A:</p> <p>As of June 30, 1986, there will be no further accruals under Part III-A. Commencing July 1, 1986, Part III-A Members will accrue benefits for all service as provided by Part III-B, with the final benefit reduced by an offset reflecting Part III-A Membership through June 30, 1986. The contribution requirements of Part III-B will also become effective for former Part III-A Members as of that date.</p>	
Benefit:	<p>2.5% of Average Annual Salary for each year of Credited Service. Average Annual Salary is defined as the highest consecutive three-year average Compensation within the last 10 years preceding Retirement date.</p> <p>The maximum benefit is 76% of Average Annual Salary or maximum 30.4 years of Credited Service.</p> <p>Members employed on September 17, 2014, including members who have retired through April 8, 2015, shall be credited with an additional 2 years of credited service solely for purposes of determining the monthly Retirement Allowance.</p>	<p>2.0% of Average Annual Salary (for Town and Library Members, 2.25% effective July 1, 2002, for Board of Education Discretionary and WAESCA, effective July 1, 2006, and for Board of Education Custodians effective July 1, 2013) for each year of Credited Service. Average Annual Salary is defined as the average of the highest consecutive 4 years Compensation within the last 10 years preceding the earlier of Retirement or the cessation of contributions upon completion of 30 years of Credited Service.</p> <p>The maximum benefit is 60.0% (67.5% for Town and Library Members effective July 1, 2002, for Board of Education Discretionary and WAESCA, effective July 1, 2006, and for Board of Education Custodians effective July 1, 2013) of Average Annual Salary or maximum 30 years of Credited Service.</p>	<p>2.0% of Average Annual Salary for each year of service through September 30, 1979 plus 2.5% of Average Annual Salary for each year of Credited Service thereafter. For participants hired on or after 7/1/2015, 2.25% of Average Annual Salary for each year of Credited Service. Average Annual Salary is defined as the highest consecutive 3 year (effective July 1, 2003) or 4 year average (for dates of hire on or after 7/1/2015) average Base Contributable Compensation, which effective July 1, 2002 includes holiday pay and effective July 1, 2003 includes longevity pay and effective July 1, 2008 includes EMT stipend, within the last 10 years preceding Retirement.</p> <p>The maximum benefit is 71.25% of Average Annual Salary for dates of hire prior to 7/1/2015. The maximum benefit is 67.50% of Average Annual Salary for dates of hire on or after 7/1/2015.</p>



	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters
Early Retirement: Eligibility:	Age requirement: None Service requirement: 15 years	Age requirement: 55 Service requirement: 10 years Effective July 1, 2011, Board of Education and Discretionary and WAESCA have 5 year service requirement or meets the Rule of 65. For Town and Library Members, effective July 1, 2002, for Board of Education Discretionary and WAESCA, effective July 1, 2006, and for Board of Education Custodians effective July 1, 2013: Age 55 and meets the Rule of 65.	Age requirement: 45 Service requirement: 10 years
Benefit:	Normal pension reduced by appropriate plan factors.	Normal pension reduced by appropriate plan factors. For Town and Library Members, effective July 1, 2002, for Board of Education Discretionary and WAESCA, effective July 1, 2006, and for Board of Education Custodians effective July 1, 2012: Normal pension reduced 3% for each year by which the sum of age and years of Credited Service is less than 80.	Normal pension reduced by appropriate plan factors.
Vesting:	Age requirement: None Service requirement: 10 years Amount: Normal pension accrued, payable at normal retirement age. Reduced benefit for payment prior to normal retirement age, for those Members eligible to elect early retirement.	Same for all but Board of Education WAESCA and Discretionary – effective July 1, 2011 service requirement is 5 years.	Same.



	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters
Termination Benefit:	Return of employee contributions plus interest if termination occurs prior to completing 10 years of Credited Service. Otherwise accrued benefit is payable at normal retirement age or reduced benefit if employee has reached early retirement age at termination, or a refund of contributions plus interest if employee terminates vested but not yet eligible to receive a Retirement benefit.	Return of employee contributions plus interest if termination occurs prior to completing 10 years of Credited Service (5 years for Board of Education Discretionary and WAESCA effective July 1, 2011). Otherwise accrued benefit is payable at Normal Retirement Age or reduced benefit at early retirement age, or a refund of contributions plus interest if employee terminates vested but not yet eligible to receive a Retirement benefit plus Members may elect a refund of employee contributions with interest at retirement age and receive a monthly benefit reduced for the value of the payout.	Same as Police.
Pre-Retirement Death Benefit:			
<i>Service Connected:</i>			
Eligibility	Age requirement: None	Age requirement: None	Age requirement: None
Benefit:	Service requirement: None If no dependent spouse or dependent children, benefit is \$2,000 plus employee contributions with interest, payable immediately. If Member has dependent spouse, annual benefit is 50% of salary payable at age 55. If Member has dependent children under age 18, benefit will be payable immediately until children reach age 18 when it will cease and resume when spouse reaches age 55.	Service requirement: None/ 10 years If no dependent spouse or dependent children benefit is \$2,000 plus employee contributions with interest. If Member is age 55 with 10 years of service (5 years for Board of Education WAESCA and Discretionary) and has dependent spouse, spouse can elect either life annuity of 50% of accrued benefits or lump sum benefit equal to \$2,000 plus employee contributions with interest. Benefit to spouse will cease at death or remarriage.	Service requirement: None If no dependent spouse or dependent children, \$2,000 plus employee contributions with interest, payable immediately. If Member has a dependent spouse and or children, the greater of an annual benefit of 50% of Average Annual Salary or 100% of the accrued benefit payable immediately to the spouse, ceasing on death or remarriage, payable to children under 18 if no surviving spouse.



	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters																								
<i>Non-Service Connected:</i>																											
Eligibility:	Age requirement: None	Age requirement: None	Age requirement: None																								
	Service requirement: None/ 10 years	Service requirement: None/ 10 years	Service requirement: None/ 10 years																								
Benefit:	If less than 10 years of service or unmarried, \$2,000 plus employee contributions with interest, payable immediately. If 10 years or more of service and Member is married, surviving spouse's benefit is 50% of the benefit that would have been payable to the participant if the participant had: (1) terminated immediately before death, and (2) elected a 50% joint and survivor annuity deferred to early or normal retirement date	If less than 10 years of service or unmarried, \$2,000 plus employee contributions with interest, payable immediately. If 10 years or more of service and Member is married, surviving spouse's benefit is 50% of the benefit that would have been payable to the participant if the participant had: (1) terminated immediately before death, and (2) elected a 50% joint and survivor annuity deferred to early or normal retirement date.	If less than 10 years of service or unmarried, \$2,000 plus employee contributions with interest, payable immediately. If 10 years or more of service and Member is married, surviving spouse's benefit is 50% of the benefit that would have been payable to the participant if the participant had: (1) terminated immediately before death, and (2) elected a 50% joint and survivor annuity deferred to early or normal retirement date.																								
Post-Retirement Death Benefit:	Return of employee contributions plus interest, less any retirement benefits paid.	Return of employee contributions plus interest, less any retirement benefits paid.	Return of employee contributions plus interest, less any retirement benefits paid.																								
Normal Form of Benefit:	Life Annuity	Life Annuity	Life Annuity																								
Employee Contribution Rate:	The following % of annual base compensation: <table border="0" style="margin-left: 20px;"> <tr> <td>7/1/2002 – 6/30/2005</td> <td>7.25%</td> </tr> <tr> <td>7/1/2005 – 6/30/2014</td> <td>7.75%</td> </tr> <tr> <td>7/1/2014 – 6/30/2018</td> <td>8.00%</td> </tr> <tr> <td>7/1/2018 – 3/12/2021</td> <td>8.25%</td> </tr> <tr> <td>3/13/2021 – 6/30/2024</td> <td>8.50%</td> </tr> <tr> <td>7/1/2024+</td> <td>8.75%</td> </tr> </table>	7/1/2002 – 6/30/2005	7.25%	7/1/2005 – 6/30/2014	7.75%	7/1/2014 – 6/30/2018	8.00%	7/1/2018 – 3/12/2021	8.25%	3/13/2021 – 6/30/2024	8.50%	7/1/2024+	8.75%	3.5% of annual base compensation (6.0% for Town and Library Members effective July 1, 2002, Board of Education Discretionary & WAESCA, effective July 1, 2006, and for Board of Education Custodians effective July 1, 2012).	The following % of annual base compensation: <table border="0" style="margin-left: 20px;"> <tr> <td>7/1/03 – 6/30/08</td> <td>7.5%</td> </tr> <tr> <td>7/1/08 – 6/30/09</td> <td>8.0%</td> </tr> <tr> <td>7/1/09 – 6/30/10</td> <td>8.5%</td> </tr> <tr> <td>7/1/10 – 6/30/11</td> <td>9.0%</td> </tr> <tr> <td>7/1/11 – 6/30/15</td> <td>9.25%</td> </tr> <tr> <td>7/1/15+</td> <td>9.50%</td> </tr> </table>	7/1/03 – 6/30/08	7.5%	7/1/08 – 6/30/09	8.0%	7/1/09 – 6/30/10	8.5%	7/1/10 – 6/30/11	9.0%	7/1/11 – 6/30/15	9.25%	7/1/15+	9.50%
7/1/2002 – 6/30/2005	7.25%																										
7/1/2005 – 6/30/2014	7.75%																										
7/1/2014 – 6/30/2018	8.00%																										
7/1/2018 – 3/12/2021	8.25%																										
3/13/2021 – 6/30/2024	8.50%																										
7/1/2024+	8.75%																										
7/1/03 – 6/30/08	7.5%																										
7/1/08 – 6/30/09	8.0%																										
7/1/09 – 6/30/10	8.5%																										
7/1/10 – 6/30/11	9.0%																										
7/1/11 – 6/30/15	9.25%																										
7/1/15+	9.50%																										



	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters
Employee Contribution Rate (continued):	Interest on Employee Contributions: 5.0% per year effective June 20, 1994 from end of plan year in which contributions are made to end of month preceding date of event.	Same	Same
Disability Benefits:			
<i>Service Connected:</i> Eligibility:	Age requirement: None Service requirement: None Other: Determined by Board of Selectmen to be totally and permanently disabled.	Age requirement: None Service requirement: None	Age requirement: None Service requirement: None Other: Totally and permanently disabled.
Benefit:	Greater of 50% of Average Annual Salary or 100% of accrued pension benefit under the plan, payable immediately.	None	Greater of 50% of Average Annual Salary or 100% of accrued pension benefit under the plan, payable immediately.
<i>Non-Service Connected:</i> Eligibility:	Age requirement: None Service requirement: 10 years Other: Determined by Board of Selectmen to be totally and permanently disabled.	Age requirement: None Service requirement: None	Age requirement: None Service requirement: None
Benefit:	100% of accrued pension benefit under the plan, payable immediately.	None	None
Actuarial Equivalent:	Equivalent value when computed with regular interest on the basis of the tables last adopted by the Board of Selectmen.	Same	Same



	Plan 1 - Police	Plan 3 - Other Town Employees	Plan 4 - Fire Fighters
Optional Forms:	Contingent beneficiary, ten year certain and life.	Same	Same
Cost of Living:	Review at least once every four years. Historical cost of living adjustments have been as follows: July 1, 1979: 4% per year since retirement (max. 44%) July 1, 1983: 4% per year since retirement (max. 16%) July 1, 1986: 2% per year since retirement (max. 6%) July 1, 1988: 3% for all eligibles July 1, 1989: 3% for all eligibles July 1, 1993: Percentage of inflation since July 1, 1989 July 1, 1994: 2.5% for all eligibles July 1, 1997: 4.0% for all eligibles July 1, 1998: 4.22% for all eligibles July 1, 1999: 1.45% for all eligibles July 1, 2000: 3.19% for all eligibles July 1, 2001: 2.86% for all eligibles July 1, 2002: 1.3% for all eligibles July 1, 2003: 2.3% for all eligibles July 1, 2004: 2.5% for all eligibles July 1, 2005: 3.0% for all eligibles July 1, 2006: 0.0% for all eligibles July 1, 2007: 1.98% for all eligibles July 1, 2008: 2.50% for all eligibles July 1, 2009: 0.0% for all eligibles July 1, 2010: 0.0% for all eligibles July 1, 2011: 0.0% for all eligibles July 1, 2012: 2.5% for all eligibles July 1, 2013: 1.25% for all eligibles July 1, 2014: 1.5% for all eligibles July 1, 2015: 0.5% for all eligibles July 1, 2016: 0.0% for all eligibles July 1, 2017: 0.0% for all eligibles July 1, 2018: 0.0% for all eligibles July 1, 2019: 0.0% for all eligibles January 1, 2020: 1.0% for all retirees on or before January 1, 2019 July 1, 2021: 0.0% for all eligibles	Same	Same