

**MONTICELLO POLICE PENSION FUND  
Actuarial Valuation Report**

**Showing Assets and Liabilities of the Fund in  
Accordance with Actuarial Reserve Requirements  
as of January 1, 2021**

**Summary**

Accrued Liability	\$4,162,028
Actuarial Value of Assets	\$1,458,295
Unfunded Accrued Liability	<u>\$2,703,733</u>
 Funded Ratio	 35%

**Liabilities**

Reserves for Annuities and Benefits in Force

	Head Count:	Present Value:	
Retirement Annuities	2	1,667,696	
Disability Annuities	1	718,647	
Surviving Spouse Annuities	1	524,844	
Minor Dependent Annuities	0	0	
Deferred Retirement Annuities	1	101,508	
Handicapped Dependent Annuities	0	0	
Dependent Parent Annuities	0	0	
Terminated Liabilities	<u>4</u>	<u>85,563</u>	
Total:	9		\$3,098,258

Accrued Liabilities for Active Members	6	<u>\$1,063,770</u>
Total Accrued Liabilities		\$4,162,028
Total Normal Cost for Active Members		\$118,636
Total Normal Cost as a Percentage of Payroll		40%

Total Annual Payroll \$298,605

Amortization of Unfunded Liabilities:

Total Accrued Liability	\$4,162,028
90% Funded Ratio Target	\$3,745,825
Actuarial Value of Assets	\$1,458,295
Liabilities Subject to Amortization	\$2,287,530
Amortization Period	20 years
Amortization Payment, Beginning of Year	\$127,887

This report is provided to the Board and Municipality as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based on expectations for all Article 3 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. This report was prepared under the direct supervision of the undersigned:

Brad Lee Armstrong (Enrolled Actuary #17-5614)  
Lance Weiss (Enrolled Actuary #17-2468)  
GRS

Deputy Director  
Public Pension Division  
Illinois Department of Insurance

**MONTICELLO POLICE PENSION FUND  
Actuarial Valuation Report**

**Assets**

Actuarial Value of Assets

Current Year Gain/(Loss):

Market value of assets as of December 31, 2019	\$1,305,806
Benefit payments during fiscal year 2020	(164,339)
Administrative expense during fiscal year 2020	(3,022)
Total contributions during fiscal year 2020	236,390
Expected return during fiscal year 2020	60,314
Expected market value of assets as of December 31, 2020	<u>\$1,435,149</u>
 Actual market value of assets as of December 31, 2020	 \$1,378,658
 Investment gain/(loss) during the fiscal year	 (\$56,491)

Development of Actuarial Value of Assets (market value less unrecognized amounts):

Market value of assets as of December 31, 2020	\$1,378,658
Unrecognized gain/(loss) from fiscal 2020	(45,193)
Unrecognized gain/(loss) from fiscal 2019	(7,051)
Unrecognized gain/(loss) from fiscal 2018	(18,060)
Unrecognized gain/(loss) from fiscal 2017	(9,333)
Actuarial value of assets as of December 31, 2020	<u>\$1,458,295</u>

**Actuarially Determined Employer Contributions**

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of January 1, 2021.	\$89,044
Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 20 years as prescribed by Section 3-125 of the Illinois Pension Code.	\$127,887
Interest to the end of the fiscal year.	\$10,304
Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code. *	\$227,235

\*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

# MONTICELLO POLICE PENSION FUND

## Actuarial Valuation Report

### Actuarial Information

The following methods have been prescribed in accordance with Section 3-125 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

### Actuarial Assumptions

Interest rate	4.75%
Interest rate, prior fiscal year	4.50%
Healthy mortality rates - Male	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Healthy mortality rates - Female	RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Disability mortality rates - Male	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Disability mortality rates - Female	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Decrements other than mortality	Experience tables
Rate of service-related deaths	10%
Rate of service-related disabilities	60%
Salary increases	Service-related table with rates grading from 11.00% to 3.50% at 33 years of service
Payroll growth	3.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions for active members	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

### Data and Fund Information

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant.

The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.

Additional critical information regarding actuarial assumptions and methods, and important actuarial disclosures are provided in the Actuarial Valuation Report Disclosures Document located on the following Illinois DOI Website (<https://insurance.illinois.gov/Applications/Pension/FOIAReporting/FOIAPortal.aspx>)