



July 11, 2018

Via E-Mail

Mr. Jon Locke
Executive Finance Director
City of Killeen
P.O. Box 1329
Killeen, TX 76540-1329

Dear Jon:

We are pleased to enclose an ordinance for your city to adopt:

***100% Updated Service Credit, including Transfers
&
70% CPI Increase to Annuitants
Ad Hoc (one time only basis)***

With the adoption of these additional benefits, your city's contribution rate beginning January 1, 2019 will be **11.15%**

We would appreciate receiving a copy of this ordinance as soon as possible after its adoption.

If you have any questions or need additional assistance, please contact me at 1-800-924-8677.

Sincerely,

Eric W. Davis
Deputy Executive Director



Plan Change Study

00698 Killeen

GRID 2019

For Informational Purposes Only

Effective Date - January 1, 2019

Report Date - July 5, 2018

Proposed Plans

Plan Provisions

	<u>Current</u>	<u>1</u>
Deposit Rate	7.00%	7.00%
Matching Ratio	2 to 1	2 to 1
Updated Service Credit	0%	100%✓
Transfer USC **	No	Yes✓
Annuity Increase	0%	70%✓
20 Year/Any Age Ret.	Yes	Yes
Vesting	5 years	5 years

Contribution Rates

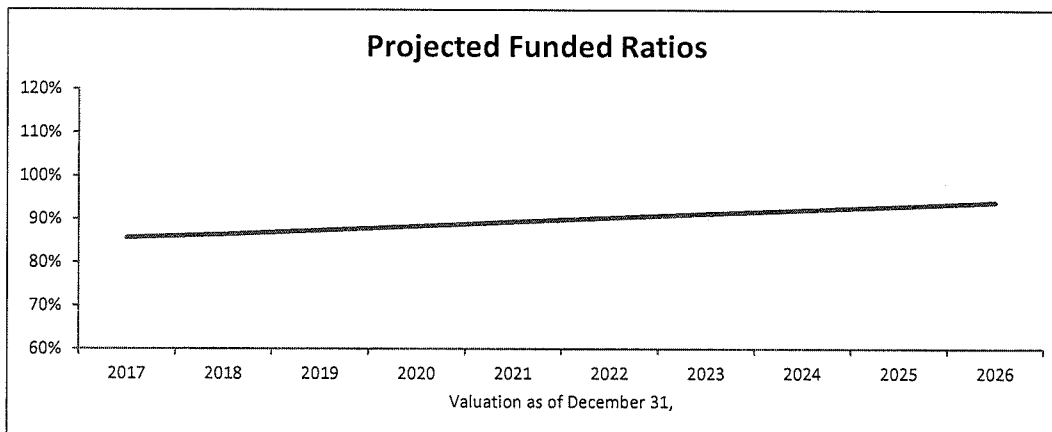
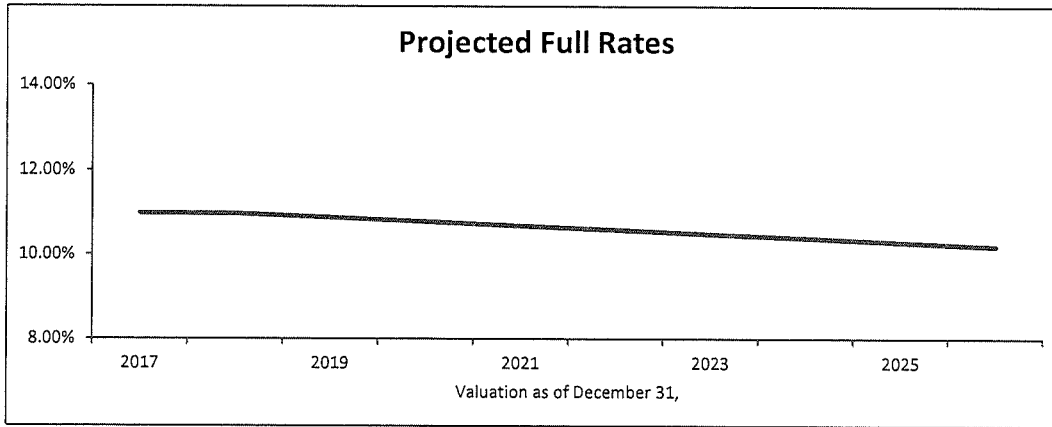
	<u>2019</u>	<u>2019</u>
Normal Cost Rate	5.78%	5.78%
Prior Service Rate	<u>4.13%</u>	<u>5.20%</u>
Retirement Rate	9.91%	10.98%
Supplemental Death Rate	<u>0.17%</u> (A & R)	<u>0.17%</u> (A & R)
Total Rate	10.08%	11.15% ✓
Unfunded Actuarial Liability	\$22,281,798	\$27,133,860
Amortization Period	25 years	25 years
Funded Ratio	87.9%	85.6%
Phase-In Total Rate	N/A	N/A
Stat Max	13.50%	13.50%
Study Exceeds Stat Max	No	No

**This is the addition to the Initial Prior Service Rate for USC for transfers. There were 41 eligible transfer employees on the valuation date.

Projection of Valuation Results - Pension Only **698, Killeen**

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	7.00%	USC	100% Ad Hoc with Transfer
Employer Match Rate	2 - 1	COLA	70% Ad Hoc
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Calendar Year	Projection Results							
	2018	2019	2020	2021	2022	2023	2024	2025
Full Rate	9.78%	10.98%	10.96%	10.87%	10.77%	10.67%	10.58%	10.48%
Estimated Contribution	4,624,401	5,347,566	5,497,960	5,616,397	5,731,670	5,848,805	5,973,455	6,094,505
Funded Ratio	85.6%	86.3%	87.3%	88.4%	89.3%	90.3%	91.2%	92.2%



Projection of Valuation Results - Pension Only **698, Killeen**

Summary of Proposed Benefit Provisions			
Employee Contribution Rate	7.00%	USC	Yearly 100% Ad Hocs with Transfer
Employer Match Rate	2 - 1	COLA	Yearly 70% Ad Hocs
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Calendar Year	Projection Results							
	2018	2019	2020	2021	2022	2023	2024	2025
Full Rate	9.78%	10.98%	11.66%	12.31%	12.95%	13.57%	14.17%	14.76%
Estimated Contribution	4,624,401	5,347,566	5,849,108	6,360,428	6,891,841	7,438,452	8,000,365	8,583,483
Funded Ratio	85.6%	84.9%	84.5%	84.2%	84.1%	84.1%	84.2%	84.4%

