MOCKENHAUPT
BENEFITS GROUP

ACTUARIAL VALUATION REPORT

for the

CITY OF ALTOONA NON-UNIFORMED EMPLOYEES' PENSION PLAN

as of

January 1, 2019

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SECTION 1
Valuation Overview

At the request of the City of Altoona, we have completed an actuarial valuation report (AVR) for the City of Altoona Non-Uniformed Employees' Pension Plan as of January 1, 2019. This valuation was prepared in order to satisfy the funding and disclosure requirements of Act 205 of 1984. It also contains the cost components which may be used in computing the Plan's Minimum Municipal Obligation (MMO). The funded status measures in this AVR are not intended to be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations. The AVR should be used for no other purpose than those outlined herein.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as 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; and changes in plan provisions or applicable law.

Summary of Plan Membership

	Valuation Date	
	1/1/2019	1/1/2017
	Participants	
Active	93	96
Retired	71	78
Disabled	9	9
Survivor	16	13
Deferred	2	1
Total	191	197
	Active Participant Averages	
Hire Age	35.1	35.3
Attained Age	50.6	50.8
Assumed Future Service	12	12
Monthly Compensation	$3,753	$3,569
	Total	
Employee Contributions	$2,289,702	$2,187,166

SECTION 1
Valuation Overview – (Continued)

Benefit Changes

There were no benefit changes reported since the January 1, 2017 AVR.

Assumption Changes

There were no changes in the actuarial assumptions from the January 1, 2017 AVR. Under Act 205, the actuarial assumptions are the joint responsibility of the actuary and the governing body of the plan. The actuary recommended lowering the interest rate, salary increase and inflation assumptions and updating the mortality and disablement assumptions. The City has elected to make no changes in the actuarial assumptions for this valuation. These assumptions were treated as prescribed assumptions set by another party.

Experience Gain/Loss

There was a net experience loss of $420,454 since the January 1, 2017 AVR. The primary source of loss was return on the actuarial value of assets that was less than the assumed 7.25% annual rate. Partially offsetting the investment loss were gains from participants working past the assumed retirement age and, to a lesser extent, greater-than-assumed mortality.

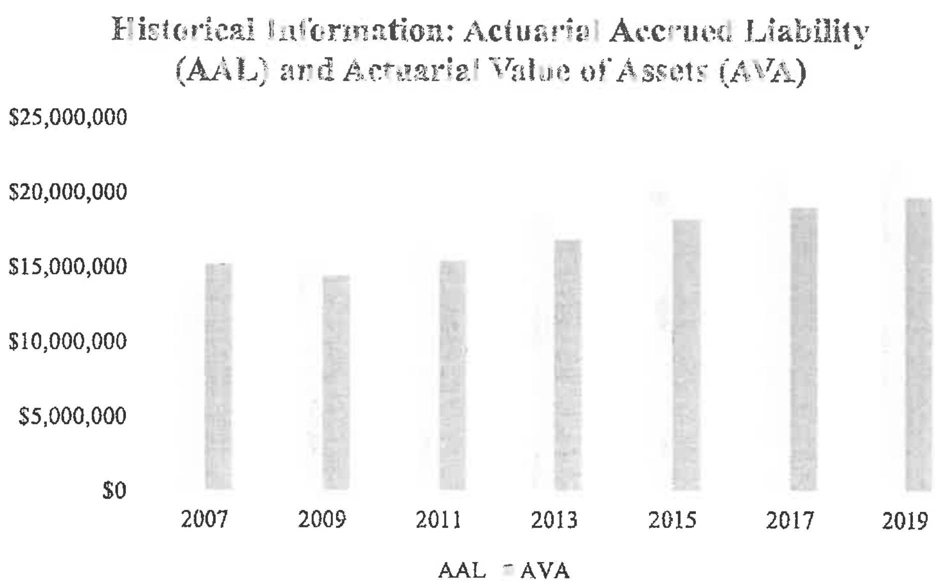
Cost Components (for MMO)

Valuation Date	Normal Cost % of Payroll	Admin. Expense % of Payroll	Amortization Payment / (Funding Adjustment)
1/1/2019	9.941%	1.600%	$360,918
1/1/2017	10.181%	1.500%	$310,901
Change	(0.240%)	0.100%	$50,017

The normal cost as a percent of payroll decreased slightly due to the changing demographics of the plan. There are currently sixteen participants at or beyond the assumed retirement age. Such participants no longer have a normal cost, because they are assumed to retire, but their pay is still included in the calculation of the normal cost percentage for state reporting purposes. When these participants actually do retire, the subsequent valuation will likely indicate an increase in the normal cost percentage. The annual required amortization payment increased due to the experience loss. MMOs based on this AVR will be greater than if based on the prior AVR.

Funded Status

The following charts show the actuarial accrued liability (AAL), the actuarial value of assets (AVA) and the funded ratio, the AVA divided by the AAL. While the Act 205 funding requirements are designed to bring this ratio eventually to 100%, through amortization payments or application of the funding adjustment credit when the funded ratio is greater than 100%, the change in funding from valuation to valuation will not generally be steady because of normally expected fluctuations due to experience gains and losses, benefit changes, or assumption changes.



Year	Funded Ratio
2019	89.7%
2017	89.6%
2015	89.2%
2013	89.4%
2011	94.8%
2009	95.9%
2007	111.6%

Asset Smoothing

It is worth noting that if the market value of assets were used as the AVA instead of asset smoothing, annual costs based on this valuation would be approximately $222,000 higher and the funded ratio would be 81.2%.

SECTION 2
Certification

This actuarial valuation report is based upon participant data as of January 1, 2019 furnished to us by the City and upon asset information as of December 31, 2018 as provided by Wells Fargo Advisors and Metropolitan Life Insurance Company. The data has been reviewed and determined to be reasonable and consistent. An audit of the data was beyond the scope of the assignment. The completeness and accuracy of the valuation results are dependent upon the completeness and accuracy of the data. This report has been completed in accordance with generally accepted actuarial principles and practices, and reflects our current understanding of applicable laws and regulatory requirements.

In the actuary's opinion, the actuarial assumptions used in the valuation are reasonably related to the experience of the Plan and to reasonable expectations, and they represent his best estimate of anticipated experience under the Plan. To the best of our knowledge, the report is complete and accurate, based on the data outlined herein. We will be happy to answer any questions concerning this report and provide further information as needed.

MOCKENHAUPT BENEFITS GROUP

I, David Stimpson, am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Certified by:

David Stimpson

Digitally signed by David Stimpson
Date: 2020.01.31 10:06:40 -05'00'

David H. Stimpson, E.A., F.C.A., M.A.A.A.
Executive Vice President

SECTION 3
Summary of Plan Provisions

The Summary of Plan Provisions below is included to clarify the basis of our actuarial valuation and is not meant to govern the operation of the Plan. The summary represents our understanding of the benefits provided by the Plan, based upon documentation provided by the Plan Sponsor and our understanding of the way in which the Plan Sponsor operates the Plan. Capitalized terms are explained at the end of this summary.

Effective Dates

Plan Established - January 15, 1930
Most Recent Plan Amendment - December 15, 2004
Most Recent Plan Restatement - January 1, 2018

Participation

Any person employed on a regular full-time basis by the City of Altoona other than a policeman or fireman. Participants must complete an authorization of employee contribution deductions.

Employee Contributions

Participants will contribute 5.0% of their Compensation. Contributions are made on a pre-tax basis under Section 414(h)(2) of the IRC effective January 1, 1990.

Normal Retirement

Eligibility - Age 60 and the completion of 20 Years of Credited Service.
Benefit - 50% of Average Monthly Compensation, payable in the Normal Form of Payment. Participants who were members of the plan as of April 1, 1992 may choose the Optional Form of Payment.

Late Retirement

Eligibility - Employment beyond Normal Retirement.
Benefit - Normal Retirement Benefit based on Average Monthly Compensation at actual retirement.

Disability Retirement

Eligibility - Total and permanent disablement after 10 Years of Credited Service.
Benefit - Normal Retirement Benefit at date of disablement.
Benefit Commencement Date - First day of calendar month following disablement and continuing for duration of Disability prior to Normal Retirement date and life thereafter.

SECTION 3
Summary of Plan Provisions - (Continued)

Death Benefits

Before Retirement - Refund of contributions without interest.

After Retirement - If the Optional Form of Payment was chosen at retirement, 50% of the participant's benefit may be payable to the beneficiary if still living.

Termination of Employment / Vesting

Vesting Schedule - 100% after completion of 12 years of Credited Service.

Benefit - Non-vested participants receive a Refund of Employee Contributions. Vested participants may elect to receive the Accrued benefit payable at Normal Retirement Date, in lieu of a Refund of Employee Contributions. Participants who terminate after 20 Years of Credited Service and continue contributions until age 60 will receive their Normal Retirement Benefit calculated at date of actual retirement, payable at age 60.

Principal Definitions

Accrued Benefit: Prospective Normal Retirement Benefit multiplied by Years of Credited Service to date and divided by projected Years of Credited Service to Normal Retirement.

Average Monthly Compensation: The average of monthly compensation during the 5 Years of Credited Service prior to termination which produce the highest average. Lump sum payments earned outside the averaging period are excluded.

Benefit Commencement Date: First day of the month coincident with or next following eligibility for and election to retire.

Compensation: Total wages paid by the employer.

Normal Form of Payment: A monthly pension benefit payable for life.

Optional Form of Benefit Payment: joint and 50% survivor annuity which is the actuarial equivalent of the Normal Form of Payment.

Refund of Employee Contributions: Accumulated contributions without interest.

Years of Credited Service: Twelve-month periods of continuous employment to the completed month during which the Employee is an active participant and making contributions through date of retirement or other severance.

SECTION 4

Development of Contribution Requirements

Normal Cost and Plan Funded Status

A. Normal Cost

	2019
1. Retirement Benefits	$359,155
2. Disability Benefits	34,678
3. Refunds to Withdrawals	15,003
4. Vested Benefits	7,516
Total	$416,352

B. Actuarial Accrued Liability

1. Actuarial Present Value of Future Benefits:

	Deferred	In Payment	Active	All
Retirement Benefits	$155,993	$7,994,431	$14,755,298	$22,905,722
Disability Benefits	0	1,273,337	688,393	1,961,730
Survivor Benefits	0	754,584	0	754,584
Refunds to Withdrawals	0	0	94,235	94,235
Vested Benefits	0	0	98,138	98,138
Total	$155,993	$10,022,352	$15,636,064	$25,814,409

2. Actuarial Present Value of Future Normal Costs:	(3,744,665)
3. Actuarial Accrued Liability	$22,069,744

C. Unfunded Actuarial Accrued Liability

1. Actuarial Accrued Liability	$22,069,744
2. Actuarial Value of Assets	(19,795,080)
3. Unfunded Actuarial Accrued Liability	$2,274,664*
4. Funded Ratio	89.7%*

* The unfunded actuarial accrued liability based on the market value of assets is $4,139,340 and the funded ratio based on the market value of assets is 81.2%

SECTION 4
Development of Contribution Requirements
Analysis of Change in the Plan's Funded Status

A. Reconciliation of Funded Status

1. Unfunded Actuarial Accrued Liability as of 01/01/17			$2,212,784
	2017	2018	
2. Normal Cost Assumed	$418,553	$414,193	832,746
3. Assumed Administrative Expense	61,665	64,440	126,105
4. Interest Charged at Valuation Rate			439,341
5. Contributions	2017	2018	
a. Municipality	$426,145	$428,955	
b. State Aid Allocated	156,670	159,664	
c. Employees	209,817	211,414	(1,592,665)
6. Interest Credited at Valuation Rate			(111,684)
7. Expected Unfunded Actuarial Accrued Liability Before Adjustments			$1,906,627
8. Change in Unfunded Actuarial Accrued Liability due to			
a. Experience Loss (Gain)			
from Investment Return		$1,462,760	
from all other Sources		(1,094,723)	368,037
b. Changes in Actuarial Assumptions			0
c. Benefit Modifications for Retireds			0
d. Benefit Modifications for Actives			0
e. Benefit Modifications for Retireds State Mandated			0
f. Benefit Modifications for Actives State Mandated			0
9. Actual Unfunded Actuarial Accrued Liability as of 01/01/19			$2,274,664

B. Loss (Gain) to be Amortized

1. Experience Loss (Gain)		$368,037
2. Actuarially Required Contributions with Interest	$1,756,766	
3. Actual Contributions with Interest	(1,704,349)	
4. Contribution Loss (Gain)		52,417
5. Loss (Gain) to be Amortized		$420,454

SECTION 4

Development of Contribution Requirements

Amortization of Unfunded Actuarial Accrued Liability

as of January 1, 2019

Source	Original Amount	Year Est.	Target Year	Remaining Balance	Remaining Payments	Annual Amount
Assumption Change	($2,269,632)	2009	2028	($1,523,036)	10	($204,531)
Experience Loss	$2,888,095	2009	2028	$1,938,064	10	$260,265
Experience Loss	$262,381	2011	2023	$130,133	5	$29,791
Assumption Change	$878,703	2013	2024	$531,193	6	$104,712
Experience Loss	$336,003	2013	2024	$203,122	6	$40,040
Assumption Change	$364,470	2015	2027	$285,125	9	$41,239
Experience Loss	$60,803	2015	2027	$47,564	9	$6,880
Experience Loss	$273,240	2017	2028	$242,045	10	$32,505
Aggregate Change through Last Valuation	N/A	N/A	2026	$1,854,210	8	$310,901
Assumption Change	N/A					
Ben. Mod. - Actives	N/A					
Ben. Mod. - Retireds	N/A					
Ben. Mod. - Actives State Mandated	N/A					
Ben. Mod. - Retireds State Mandated	N/A					
Experience Loss	$420,454	2019	2030	$420,454	12	$50,017
Aggregate Changes 2019	N/A	N/A	2030	$420,454	12	$50,017
Aggregate	N/A	N/A	2026	$2,274,664	8	$360,918

SECTION 4
Development of Contribution Requirements
Required Municipal Contributions (Minimum Municipal Obligations)

The Minimum Municipal Obligation (MMO) of the Plan is based on the Normal Cost Percentage and other components shown below. The normal cost percentage is applied to the estimated payroll of the members for the applicable budget year.

1. Normal Cost	$416,352
2. Total Annualized 2018 Payroll	$4,188,021
3. Percentages for Budgets	
a. Normal Cost (1 divided by 2)	9.941%
b. Administrative Expense (as a percent of Payroll)	1.600%
c. Gross Normal Cost	11.541%
4. Net Amortization Payments	$360,918
5. Funding Adjustment	$0

NOTES: In addition to the components shown in Items 3, 4, and 5, the MMO calculation includes a deduction for estimated employee contributions, if any. The MMO is the obligation of the local government unit sponsoring the Plan. State Aid, if available, may be used to pay the MMO, but the plan sponsor is responsible for any shortfall.

The MMO components above are calculated as of January 1. Contributions made during the plan year should be adjusted with interest at the assumed rate of 7.25% to reduce the probability of a contribution loss.

SECTION 5
Risk Measurements

A. Sensitivity Analysis

The actual costs of the plan will be determined by the experience of the plan over time. The projected liabilities shown in this (or any other) valuation of the plan are dependent upon the assumptions made. The assumed interest rate is one assumption that has a significant impact on the expected costs of the plan. To highlight the effect of this assumption on the calculated liabilities and contribution requirements of the plan, we are showing the impact of a change of 1% in the interest rate.

	1% Decrease	Current %	1% Increase
Interest Rate	6.25%	7.25%	8.25%
Actuarial Accrued Liability	$24,338,764	$22,069,744	$20,123,980
Actuarial Value of Assets	($19,795,080)	($19,795,080)	($19,795,080)
Unfunded Actuarial Accrued Liability	$4,543,684	$2,274,664	$328,900
Funded Ratio	81.3%	89.7%	98.4%
Normal Cost	$514,598	$416,352	$339,113
Amortization Payment / (Funding Adjustment)	$608,560	$360,918	$129,949
Estimated Impact on MMO	$345,888	N/A	($308,208)

B. Asset Volatility Risk

As plans mature they become more sensitive to investment swings. Relatively small changes in investment return can result in big changes in contribution requirements. Based on the market value of assets ($17,930,404), a 10% investment loss relative to the assumed interest rate of 7.25% (i.e., -2.75% actual one-year return) would result in an increase in the amortization payment of $213,300 based on the funded status and average future service as of the valuation date.

This illustration is provided to help you understand the potential impact of investment losses on contribution requirements and does not take into account the impact of asset smoothing or any other factors.

SECTION 5
Risk Measurements

C. Alternative Liability Measurement

As mentioned in Section 1, this report was prepared to satisfy the funding and disclosure requirements of Act 205 of 1984. The liabilities shown in this valuation are calculated on a going concern basis, meaning that the pension plan is presumed to continue to operate indefinitely. As such, the interest rate assumption used to value plan liabilities was selected to represent the expected long-term investment return on plan assets.

The results disclosed on this page are provided for informational purposes only and illustrate the liabilities and funding status measured on a terminal basis (rather than going concern basis), which is believed to be more closely associated with a "settlement value" of the plan. However, this is not based on any specific annuity quote and should not be construed as such. The primary differences between these measurements and those made for funding and state reporting purposes include:

- benefits valued are only those earned as of the valuation date (accrued benefits)
- assets are reported at fair market value as of the valuation date
- the interest rate of 3.25% was selected to approximate a low-risk bond rate which may be representative of annuity pricing as of the valuation date

Assets at Market Value	$17,930,404
Actuarial Present Value of Accrued Benefits	
1. Retired	$13,782,249
2. Deferred	253,372
3. Active	21,917,797
4. Total	$35,953,418

SECTION 6
Actuarial Basis of Valuation
Actuarial Assumptions as of January 1, 2019

A. Economic

1. Interest Rate: 7.25% per year.

[This assumption represents the expected long-term rate of return, including inflation. It is based on the current investment allocation of the plan and expected returns for the asset classes. Historical average returns and long-term capital market assumptions were considered in developing the expected return for each asset class.]

2. Salary Projection: 4.50% per year.

[This assumption represents expectations of future salary increases. Allowance is made not only for base rate changes but also for such factors as merit increases, longevity increases, and promotions, which may occur over a participant's career. This assumption is based on an analysis of past salary increases of covered workers, expectations of future wage increases and inflation, and general trends for similar workers.]

3. Inflation: 3.00% per year.

[The long-term inflation assumption is based on a blend of historical average inflation (inflation has averaged 3.3% over the last 40 years) and expectations of lower inflation over the short-term.]

B. Employee Characteristics

1. Mortality: RP-2000 Combined Healthy Mortality Table, with rates set forward 5 years for disabled lives.

2. Mortality Improvement: Rates projected with 100% of scale AA.

3. Withdrawal: Table T-2, *Actuary's Pension Handbook*.

4. Disablement: 60% of the rates of disablement from *Advanced Pension Tables*.

C. Retirement

1. Valuation Retirement Age: Normal Retirement Age, or attained age if currently eligible to retire.

C. Retirement (Cont.)

2. Benefit Form: Life annuity.

[Due to the size of the plan, the demographic assumptions are determined by trends experienced by not only this plan but also by municipal plans in general. The retirement assumption was selected to err on the side of conservatism]

Under Act 205, the actuarial assumptions are the joint responsibility of the actuary and the governing body of the plan. The actuary recommended lowering the interest rate, salary increase and inflation assumptions and updating the mortality and disablement assumptions. The City has elected to make no changes in the actuarial assumptions for this valuation. These assumptions are treated as prescribed assumptions set by another party.

SECTION 6
Actuarial Basis of Valuation
Actuarial Cost Method

The actuarial costs of this Plan are determined under the Entry Age Normal Actuarial Cost Method as prescribed by Act 205 of 1984. The total contribution (the Financial Requirements of the Pension Plan) is made up of three components: Normal Cost, Administrative Expense and Amortization Payment (or Funding Adjustment).

The Normal Cost for each active participant covered by the Plan is calculated to be the annual contribution necessary to completely fund the participant's pension by the participant's retirement age. Contributions are assumed to begin with the year of employment and to be a constant percentage of the participant's annual pay. The Normal Cost for the Plan is the sum of the individually computed amounts. The Plan Normal Cost is expressed as a percentage of the total annual payroll of the participants to be used in the budgeting of required contributions.

The Administrative Expense is the estimated annual expense to be incurred by the fund for the contribution year for which the Financial Requirements are determined.

The Amortization Payment is the sum of the annual level amortization contribution requirements specified by the Act for the applicable portions of the Unfunded Actuarial Accrued Liability. The initial Unfunded Actuarial Accrued Liability was established in 1985. Subsequent experience relative to valuation assumptions, changes in benefit provisions, and changes in valuation assumptions result in increases or decreases to the Unfunded Actuarial Accrued Liability. If the Unfunded Actuarial Accrued Liability is negative, the Amortization Payment is zero and a Funding Adjustment is created.

The Actuarial Accrued Liability of the Plan is the total actuarial present value of all future benefits less the actuarial present value of the future Normal Costs. The total Unfunded Actuarial Accrued Liability as of a valuation date is the Actuarial Accrued Liability less the total value of all assets owned by the Plan.

SECTION 6
Actuarial Basis of Valuation
Actuarial Value of Assets

A. Source of Asset Information

Asset information for the period January 1, 2017 to December 31, 2018 was provided by Wells Fargo Advisors and Metropolitan Life Insurance Company. The reported market value of assets as of December 31, 2018 is summarized below by type:

Cash and Cash Equivalents	$260,987.68
Met Life Annuities	2,307,665.41
Mutual Funds - Fixed Income	5,777,499.78
Mutual Funds - Balanced	1,743,882.17
Mutual Funds - Equity	7,862,872.87
Total	$17,952,907.91

B. Market Value as of January 1, 2019

For valuation purposes, the market value of assets is the value reported above, plus end-of-year accrual adjustments, if any.

Reported Market Value	$17,952,907.91
Refund of Contributions Payable	(22,503.43)
Market Value of Assets	$17,930,404.48

C. Description of Method

The Actuarial Value of Assets is determined by a smoothing formula which phases in investment gains and losses (measured against the interest rate assumption) over a four-year period. The resulting value is further subject to a minimum of 80% and a maximum of 120% of the current market value.

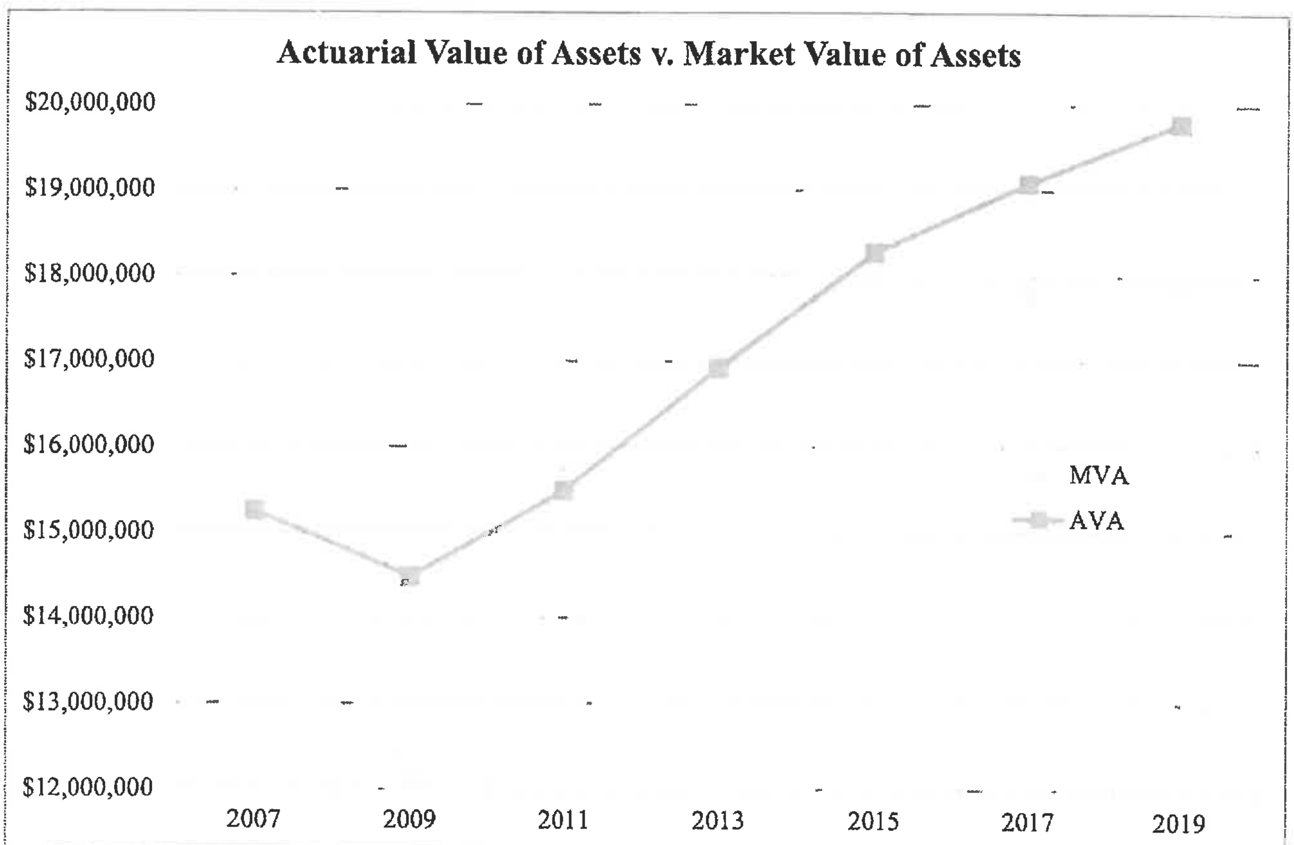
SECTION 6

Actuarial Basis of Valuation

Actuarial Value of Assets - (Continued)

D. Development of the Actuarial Value of Assets

Market Value at January 1, 2019				$17,930,404
From	To	Actual vs. Expected Return Gain (Loss)	Fraction Deferred	
01/01/2015	12/31/2015	($1,643,854)	0%	
01/01/2016	12/31/2016	($528,251)	25%	$132,063
01/01/2017	12/31/2017	$1,172,477	50%	($586,239)
01/01/2018	12/31/2018	($3,091,803)	75%	$2,318,852
Preliminary Adjusted Value				$19,795,080
Low Limit	80% of M. V.		$14,344,323	
High Limit	120% of M. V.		$21,516,485	
Actuarial Value of Assets at January 1, 2019				**$19,795,080**



SECTION 7
Glossary

Accrued Benefit

The portion of the participant's retirement benefit that is attributable to service completed before the calculation date. The calculation typically uses actual service as of the calculation date and may involve other factors such as average pay at the determination date and projected service through the retirement eligibility date.

Act 205 of 1984

Municipal Pension Plan Funding Standard and Recovery Act of December 18, 1984, P.L. 1005, No. 205. The Act controls pension funding in Pennsylvania. This Act also provides for reporting of actuarial information and for a recovery program for qualifying municipalities.

Actuarial Accrued Liability

The portion of the actuarial cost assigned to prior years.

Actuarial Assumptions

Factors used by the actuary to forecast future events. These factors include items relating to future economic conditions, the survival of the participants and their beneficiaries, and the length of employment.

Actuarial Cost Method

A means of assigning costs to periods of employment. This method is used to determine a funding level that will provide sufficient assets to pay benefits for each participant upon retirement. Act 205 specifies that the entry age normal cost method, as described in the Act, should be used for this determination.

Actuarial Present Value

The lump sum value that is equivalent to an expected series of future payments. This value is determined by using the actuarial assumptions. An actuarial present value, as of the valuation date, represents the amount of funds that would be sufficient to provide the series of payments, if experience precisely matches the actuarial assumptions.

SECTION 7
Glossary - (Continued)

Actuarial Value of Assets

The value of current plan assets which is used by the actuary to evaluate the current funding status and determine future funding requirements. Pennsylvania Code, Title 16, Part IV, Section 203.2(a) requires that this value be between 80 and 120 percent of the fair market value of the assets.

Administrative Expenses

The average of expenses to administer the plan that is paid in the year preceding the most recent valuation and the anticipated expenses for the year following this valuation. The average is converted to a percentage of payroll and used as part of the Minimum Municipal Obligation calculation.

Amortization Payment

The annual payment required to eventually eliminate the unfunded actuarial accrued liability according to the schedule established in Act 205.

Experience Gain or Loss

The effect on the actuarial accrued liability of differences between events as predicted by the actuarial assumptions and those that actually occurred. This difference can increase or decrease the contribution in future years.

Funded Ratio

The actuarial value of assets divided by the actuarial accrued liability.

Funding Adjustment

Occurs when the actuarial value of assets exceeds the actuarial accrued liability; it is defined by Act 205 as 10 percent of the excess. This adjustment reduces the amount that must be contributed to the pension plan.

General Municipal Pension System State Aid

Annually municipalities receive a portion of the insurance premium tax levied on casualty insurance companies headquartered outside of Pennsylvania. If they have paid firefighters, they also receive a portion of the premium tax on out-of-state fire insurance companies. These taxes are distributed according to formulae contained in Act 205.

Minimum Municipal Obligation

The amount that must be contributed to a pension plan by a municipality for a given year. The calculation of this amount uses the normal cost, anticipated administrative expenses, amortization payment or funding adjustment, and anticipated employee contributions to determine a municipality's contribution requirement. General Municipal Pension System State Aid may be used to reduce the contribution.

Normal Cost

The actuarial cost assigned to a given year to pay for the portion of the anticipated benefit derived from service during that year.

Unfunded Actuarial Accrued Liability

The amount by which the actuarial accrued liability exceeds the actuarial value of assets. A valuation will identify the value of changes in the unfunded actuarial accrued liability that result from changes in plan benefits, actuarial assumptions, or actuarial gains and losses. A zero or negative unfunded actuarial accrued liability does not mean that no future contributions are required, only that the current accumulation of plan assets is deemed on or ahead of schedule.

Vesting

The participant's non-forfeitable right to receive a benefit, provided that the participant survives until benefit eligibility.

PAGES 21-30 ARE INTENTIONALLY DELETED