

**CITY OF FLAT ROCK DEFINED BENEFIT PLAN**  
**Public Act 530 of 2017 - Compliance Guide**

<b>Sec. 13 (1)(d)</b>	<b>Item</b>	<b>Information and Location</b>
(i)	Name of system	City of Flat Rock
(ii)	Names Investment Fiduciaries	MERS of Michigan is the Investment Fiduciary
(iii)	Systems service providers	MERS of Michigan, CBIZ Retirement Plan Services (actuary)
(iv)	System's assets and liabilities/ changes	\$674,241
(v)	System's funded ratio	47.8%
(vi)	Investment performance	Investment performance net of fees: 1 year: 13.20%      7 years: 8.03% 3 years: 7.45%      10 years: 5.56% 5 years: 8.67%
(vii)	System admin & invest expenses	At December 31, 2017, the cost of the Defined Benefit Plan was 0.32% (0.19% for administration and 0.13% for investments)
(viii)	System's budget	Not applicable to the local government
(ix)		
(A)	Number of actives	56
(B)	Number of retirees/beneficiaries	57
(C)	The average annual retirement allowance	\$30,317.60
(D)	Total annual retirement allowance	\$1,728,103
(E)	Valuation payroll for active employees	\$3,350,656
(F)	Normal cost and /or percentage	\$149,748
(G)	Total computed employer contribution	\$1,268,448
(H)	Weighted average member contributions	5.01%
(I)	Actuarial investment return	7.75%
(J)	Actuarial long term wage inflation rate	3.75%
(K)	Smoothing method	5 years
(L)	Amortization method	Closed - 21 years; Open - 15 years (Layered)
(M)	Actuarial cost method	Entry Age Normal Method
(N)	Open or closed membership	Closed - 2.5 Multiplier; Open - 1.3 Multiplier
(O)	Health care inflation	Not applicable to pension plans.
(x)	Travel report	Not applicable to local governments within MERS

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Sec. 20h (1)	Item	Information and Location
7	If below 60% funded, actions taken to reduce the system's UAL	<p><b>MERS adheres to the following fiscal best practices:</b></p> <ul style="list-style-type: none"> <li>• Conducts an Experience Study every five years to ensure assumptions match actual experience and makes adjustments where necessary</li> <li>• Use a fixed Amortization period</li> <li>• MERS implements checks and balances to eliminate unexpected pension spikes. Actuarial loads are applied to groups that have demonstrated a history of Final Average Compensation increases.</li> <li>• UAL amortization schedule is on track to be paid off in 21 years.</li> </ul> <p><b>Other actions your municipality may have taken could include:</b></p> <ul style="list-style-type: none"> <li>• Lower benefit offered to new hires</li> <li>• Additional contributions above the Annual Required Contribution</li> </ul>