Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563

Actuarial Valuation
as of March 1, 2022

CITY OF SPRINGFIELD, ILLINOIS UNUSED SICK-LEAVE PROGRAM

For Fiscal Year-End February 28, 2023 Reporting

LAUTERBACH & AMEN, LLP

Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF SPRINGFIELD, ILLINOIS
UNUSED SICK-LEAVE PROGRAM

Actuarial Valuation Date: March 1, 2022
For Fiscal Year-End February 28, 2023 Reporting

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Submitted by:

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June 5, 2023

LAUTERBACH & AMEN, LLP

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DISCLOSURES AND LIMITATIONS

This report documents the results of the Actuarial valuation of the City of Springfield, Illinois Unused Sick-Leave Program. The purpose is to report is to provide the City a comparative view of the present value of the liability for the Sick-Leave Program. Determinations for other purposes may be significantly different from the results herein.

The results in this report are based on information and data submitted by the City of Springfield, Illinois including studies performed by prior actuaries. We did not prepare the actuarial valuations for the years prior to March 1, 2015. Those Valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness, as appropriate, based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The City of Springfield, Illinois selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. There is no relationship between the City of Springfield, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

The information contained in this report was prepared for the use of the City of Springfield, Illinois in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder

Todd A. Schroeder, EA

MANAGEMENT SUMMARY

Summary of Actuarial Valuation
Comments and Analysis

SUMMARY OF ACTUARIAL VALUATION

This report details the data, assumptions, and underlying methodology used in the actuarial valuation as of March 1, 2022. The following exhibit illustrates the Actuarial Accrued Liability ("AAL") and Market Value of Liability ("MVL").

	As of Actuarial Valuation Date 3/1/2022
Actuarial Accrued Liability (AAL)	
Actives Fully Eligible	$15,485,426
Actives Not Yet Fully Eligible	327,020
TOTAL AAL	**$15,812,446**
Market Value of Liability (MVL)	
Actives Fully Eligible	$6,570,613
Actives Not Yet Fully Eligible	121,494
TOTAL MVL	**$6,692,107**

The City of Springfield, Illinois Unused Sick-Leave Program allows employees to potentially earn a lump-sum payment based on their service, unused sick hours, and hourly pay rate. Further details can be found in the *Summary of Eligibility and Coverage* section of this report.

The nature of this benefit is unique when it comes to financial statement reporting on government financial statements. It is our understanding and interpretation that the methods and procedures to be used in the actuarial valuation of the Sick-Leave Program do not fall under any of the Statements issued by the Governmental Accounting Standards Board (GASB). The benefit provided does share many characteristics of traditional pension benefits. The lump-sum payment is a benefit that can be accounted for on an actuarial basis for the City of Springfield, Illinois. The liability can be accrued during the working lifetimes of the employees. We have analyzed this liability under two different methods, as detailed on the following page.

Summary of Actuarial Valuation - Continued

Entry Age Normal Actuarial Accrued Liability (AAL):
The Entry Age Normal (Level % of Pay) cost method allocates the projected lump sum obligations of the plan over the working lifetimes of the employees between entry age and assumed exit age (retirement or death). Recent pronouncements by GASB have mandated Entry Age Normal (Level % of Pay) as the actuarial cost method required for showing liability on Government Financials. The relevant pronouncements include Statements 67/68 (reporting for pensions) and Statements 74/75 (reporting for retiree medical liabilities recently implemented). Due to the unique features of the Sick-Leave Program benefit, reporting does not fall specifically under the recently approved Statements. The intention of showing liability under this method is to provide a figure that is comparable to the figures provided under Statements 67/68 and Statements 74/75 using similar methodologies and procedures. We believe this figure provides the best "apples to apples" comparison to other actuarial liabilities shown in the financial statements. However, we are not intending to suggest that reporting for the Sick-Leave Program specifically falls under any of the above-mentioned statements.

Market Value of Liability (MVL)
The Market Value of Liability is a concept that estimates the value of the benefits accrued to date, using current market rates. There are a couple key features in the Market Value of Liability.

1. The benefit being valued for each active employee is based on pay and unused sick hours accrued as of February 28, 2023 (the Measurement Date). The valuation is done strictly on a "benefits basis", and the benefit is updated each year the valuation is performed. In contrast, the liability measure presented in the prior section is done on a "cost basis". Under a cost basis, the benefits are projected to payment ages with anticipated increases in pay and Sick-Leave balances, and then allocated to the working career of the individuals to evenly distribute cost.

2. The discount rate should represent an estimate of current market rates, based on the nature of the benefit being valued. For a set of anticipated benefits that are very likely to be made, the market rate would typically be based on some relatively risk-free index or yield curve.

3. Payment timing – we are valuing the accumulated benefit under this method as a benefit payable at Normal Retirement Date. The Sick-Leave Plan does not define a single Normal Retirement Date. For purposes of this method, we have used first eligibility for retirement of each member as the normal retirement date.

The stated purpose of this report is to present the City comparative measures of liability and allow the City to make the best decision on reporting the liability.

Comments and Analysis

Selection of the Discount Rate

The appropriate discount rate selected for an actuarial measurement is based on the purpose of the measurement. We have shown the measurement under two different methods. For each of the methods, we have selected a discount rate of 3.75%. The rate is based on the 20 Bond GO Bond Index from Bond Buyer. The index represents theoretical yields on high quality Municipal Bonds as estimated by Municipal Bond traders and updated weekly. The rate used in this report represents the last rate available prior to the end of the fiscal year.

Under the Entry Age Normal (level percent of pay) liability method, the intention is to provide the best comparison to liabilities determined for more typical retirement benefits (pensions, retiree medical). The recent GASB Statements released (implemented, or soon to be implemented) provide guidance on the discount rate. The discount rate should be based on the expected rate of return on underlying assets used to pay the specified benefit, to the extent assets are projected to cover future benefit payments. For benefit payments that are not covered by projected assets, the discount rate should be based on a 20-year high quality GO bond rate. The Sick-Leave program represents an unfunded obligation for the City. Therefore, the 3.75% rate was selected as described above, and in more detail later in this report.

Under the Market Value of Liability method, the discount rate is determined based on the nature of the underlying benefit payments and is independent of any expectation of asset returns for underlying plan assets (when they exist). The 3.75% rate based on high quality fixed income government bonds has been selected for this purpose, as well. Other measures of market rates may also be considered appropriate for this purpose.

COMMENTS AND ANALYSIS – CONTINUED

Expected Increase in Actuarial Liability

Each year the Actuarial Accrued Liability (AAL) is expected to increase with interest and as active plan members accrue additional service. Similarly, actuarial liability is expected to decrease when the City pays lump-sum benefits to employees who become inactive through retirement or death. The expected increase in the AAL for the current year was approximately $1,354,000.

In addition to the expected increase in liability, additional changes in liability occurred between the prior actuary's report and the current year. The following details the key components of those changes.

Census

The prior census contained 1,262 participants – 857 Regular, 195 Firefighters, and 210 Police. The current census contains 1,299 participants – 807 Regular, 230 Firefighters, and 262 Police.

There were more than expected participants in the prior census that are no longer in the current census due to retirement, termination of employment, or death. This caused a decrease in the AAL in the current year.

The total number of current sick hours accumulated by these 1,299 participants was approximately 1.4% less than expected. This caused a decrease in the AAL in the current year.

The actual pay rate times hours per day for these 1,299 participants was approximately 5.5% higher than expected. This caused an increase in the AAL in the current year.

Overall, the changes in the census caused a net decrease in the AAL in the current year of approximately $1,902,000.

Benefits

The current valuation is based on benefits detailed in the *Summary of Eligibility and Coverage* section of this report. There were no changes to the benefits in the current year.

Assumptions

The expected rate of return on City assets has been increased to 3.75%. Previously a rate of 2.51% was used. The increase in expected rate of return caused a decrease in the AAL in the current year.

The expected rate of compensation increases has remained the same at 2.75%.

Overall, the changes in assumptions resulted in a decrease in the AAL in the current year of approximately $1,446,000.

ACTUARIAL ACCRUED LIABILITY AND MARKET VALUE OF LIABILITY DETAIL

Projected Benefit Payments
Actuarial Numbers by Group

PROJECTED BENEFIT PAYMENTS

Projections regarding future lump sum payouts for the closed active population over the next 35 years are displayed in the tables below. These estimated benefit payments are based on the current closed population and are not intended to be relied upon for any budgeting or long-term planning decisions.

Fiscal Year	Estimated Benefit Payment	Fiscal Year	Estimated Benefit Payment
2023	$400,545	2041	$1,678,374
2024	533,976	2042	1,744,393
2025	624,840	2043	1,646,463
2026	744,156	2044	1,505,870
2027	869,445	2045	1,511,110
2028	1,000,502	2046	1,445,702
2029	1,082,466	2047	1,373,453
2030	1,136,369	2048	1,149,969
2031	1,278,391	2049	1,094,816
2032	1,427,357	2050	953,994
2033	1,456,909	2051	866,941
2034	1,525,470	2052	772,787
2035	1,532,048	2053	627,727
2036	1,668,096	2054	547,664
2037	1,682,277	2055	438,709
2038	1,680,136	2056	361,043
2039	1,725,919	2057	275,190
2040	1,643,242		

ACTUARIAL NUMBERS BY GROUP

Fund	Actuarial Accrued Liability	Market Value of Liability
Fund 1		
A. General Employees	1,402,603	372,081
B. Fire	5,821,531	2,555,230
C. Police	2,422,730	1,155,566
D. Total	9,646,864	4,082,877
Fund 3	219,478	96,786
Fund 4	73,281	37,970
Fund 15	195,364	43,086
Fund 16	60,735	13,428
Fund 17	110,313	40,907
Fund 21	47,198	21,656
Fund 28	0	0
Fund 36	47,354	15,941
Fund 49	0	0
Fund 50	0	0
Fund 55	23,239	16,148
Fund 84	0	0
Fund 95	21,906	5,123
Fund 101 (Water)	1,088,259	454,345
Fund 102 (Electric)	4,278,455	1,863,840
Total	15,812,446	6,692,107

PARTICIPANT DATA

Counts and Statistics

COUNTS AND STATISTICS

	Fiscal Year 2023
Census Date	February 28, 2023
Participants	
Actives Fully Eligible for Unused Sick-Leave Payout	1146
Actives Not Yet Fully Eligible for Unused Sick-Leave Payout	153
TOTAL	**1299**
Average Ages	
Actives Fully Eligible for Unused Sick-Leave Payout	43.4
Actives Not Yet Fully Eligible for Unused Sick-Leave Payout	30.7
Average Service	
Actives Fully Eligible for Unused Sick-Leave Payout	11.7
Actives Not Yet Fully Eligible for Unused Sick-Leave Payout	2.8

VALUATION PROCEDURES

Actuarial Methods
Actuarial Assumptions
Summary of Eligibility and Coverage

ACTUARIAL METHODS

Measurement Date	2/28/2023
Data Collection Date	2/28/2023
Participant Data	Employee data was supplied by the plan sponsor as of the census date.
Actuarial Cost Method	Entry Age Normal (Level Percent of Pay)
Asset Valuation Method	Not Applicable
Benefits Not Included	Not Applicable

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.

Normal Retirement Date

The normal retirement date for each individual is the earliest date of retirement eligibility per their specific group, detailed in the *Summary of Eligibility and Coverage* section of this report.

ACTUARIAL ASSUMPTIONS

Discount Rate	3.75%
Salary Increase Rate	2.75%
Expected Rate of Return on Trust Assets	Not Applicable
Expected Sick Days Earned Per Year	6.30

Discount Rate

The discount rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the *Actuarial Assumption* section is the February 24, 2022 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

Other indexes may provide a different approximation to the discount rate. This could change the results presented in this report. A decrease of 25 basis points to the discount rate would result in an increase in the MVL of approximately $43,000 and an increase in the AAL of approximately $287,000.

Sick Days Earned Per Year

Active employees are typically eligible to earn a maximum of 1 sick day per month. Based on a review of historical census data, it was assumed that employees will earn approximately 6.3 days of the 12 days maximum per year.

ACTUARIAL ASSUMPTIONS - CONTINUED

Retirement Rates

100% of the L&A Assumption Study Cap Age 65 for Firefighters 2020. Sample Rates as Follows:

Age	Rate	Age	Rate
50	0.070	53	0.070
51	0.070	54	0.070
52	0.070	55	0.172

100% of the L&A Assumption Study Cap Age 65 for Police 2020. Sample Rates as Follows:

Age	Rate	Age	Rate
50	0.110	53	0.127
51	0.116	54	0.134
52	0.121	55	0.140

IMRF Rates Based on IMRF Experience Study Report dated December 14, 2020

Withdrawal Rates

100% of the L&A Assumption Study for Firefighters 2020. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.070	40	0.012
30	0.041	45	0.004
35	0.024	50	0.000

100% of the L&A Assumption Study for Police 2020. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.080	40	0.022
30	0.034	45	0.016
35	0.028	50	0.005

IMRF Rates Based on IMRF Experience Study Report dated December 14, 2020

ACTUARIAL ASSUMPTIONS – CONTINUED

Disability Rates

100% of the L&A Assumption Study for Firefighters 2020. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.0007	40	0.0054
30	0.0009	45	0.0075
35	0.0027	50	0.0097

100% of the L&A Assumption Study for Police 2020. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.0000	40	0.0038
30	0.0006	45	0.0053
35	0.0018	50	0.0048

IMRF Rates Based on IMRF Experience Study Report dated December 14, 2020

Mortality Rates

IMRF Based on PubG-2010(B) Rates Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020.

Active Police and Firefighter Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study Improved to 2017 using MP-2019 Improvement Rates. These Rates are then Improved Generationally using MP-2019 Improvement Rates.

Summary of Eligibility and Coverage

AFSCME – Local Union 337

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after January 1, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days (5/12 x 90 days = 37.5 days pay).

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

AFSCME – Local Union 3417

For hours earned prior to/on August 31, 1990, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 90 days, and their straight pay rate for days over 90 days.

For hours earned after August 31, 1990, upon retirement or death, employees shall be paid 1/2 of their pay rate at retirement for Sick Leave accumulated.

Employees hired on/after October 1, 2015, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 180 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

AFSCME – Local Union 3738

For hours earned prior to November 1, 1988, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 90 days, and their straight pay rate for days over 90 days.

For hours earned on/after November 1, 1988, upon retirement or death, employees shall be paid 1/2 of their pay rate at retirement for Sick Leave accumulated.

Employees hired on/after January 5, 2016, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 240 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Carpenters – Local Union 270

Upon retirement or death or termination, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after January 1, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

SUMMARY OF ELIGIBILITY AND COVERAGE

District 9:

Chemist

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after August 2, 2012, shall not be paid for any sick hours earned upon retirement.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Fireman & Oilers

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after June 1, 2012, shall not be paid for any sick hours earned upon retirement. However, 5/12 of their sick hours shall be paid should death occur while active.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Machinist – Dallman

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after October 1, 2012, shall not be paid for any sick hours earned upon retirement. However, sick hours shall be paid should death occur while active.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Machinist – Fleet

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after October 1, 2011, shall not be paid for any sick hours earned upon retirement. However, sick hours shall be paid should death occur while active.

Employees shall be compensated for, at most, 90 days (equivalent to 37.5 days pay).

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

SUMMARY OF ELIGIBILITY AND COVERAGE

Firefighters – Local Union 37

For hours earned prior to/on July 31, 1989, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 90 days, and their straight pay rate for days over 90 days.

For hours earned after July 31, 1989, upon retirement or death, employees shall be paid 1/2 of their pay rate at retirement for Sick Leave accumulated.

Employees hired prior to/on March 1, 1989, shall be compensated for, at most, 210 days. Employees hired after March 1, 1989, and before March 1, 2013, shall be compensated for, at most, 150 days.

Employees hired on/after March 1, 2013, shall be compensated for, at most, 700 hours (if Division II, III or 40-hour employee) or 2100 hours (if Division I).

There is no minimum service or minimum age requirement to participate.

Cement Masons – Local Union 18

For hours earned prior to/on August 31, 1990, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 90 days, and their straight pay rate for days over 90 days.

For hours earned after August 31, 1990, upon retirement or death, employees shall be paid 1/2 of their pay rate at retirement for Sick Leave accumulated.

Employees hired on/after March 1, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 180 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Non-Union Employees

For hours earned prior to November 1, 1988, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 90 days, and their straight pay rate for days over 90 days.

For hours earned on/after November 1, 1988, upon retirement or death, employees shall be paid 1/2 of their Sick Leave accumulated.

Employees hired on/after July 1, 2014, shall not be paid for any sick hours earned upon retirement or death.

There are no maximum days for payout.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

SUMMARY OF ELIGIBILITY AND COVERAGE

IBEW – Local Union 193

Audio

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated up to 90 days, and 1/2 of their sick leave accumulated for days over 90.

Employees hired on/after August 1, 2011, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 120 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Electricians

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after October 1, 2014, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Engineers

For hours earned prior to November 1, 1988, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated up to 90 days, and their straight pay rate for days over 90.

For hours earned on/after November 1, 1988, upon retirement or death, employees shall be paid 1/2 of their pay rate for Sick Leave accumulated.

Employees hired on/after July 1, 2014, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 120 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Laborers – Local Union 477

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after October 1, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

SUMMARY OF ELIGIBILITY AND COVERAGE

Operating Engineers – Local Union 399

Water

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after September 30, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Unit 4

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after January 1, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Operating Engineers – Local Union 965

CWLP

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after May 1, 2013, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Operating Engineers – Local Union 965

Public Works

For hours earned prior to November 1, 1988, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated up to 90 days, and their straight pay rate for days over 90 days.

For hours earned on/after November 1, 1988, upon retirement or death, employees shall be paid 1/2 of their Sick Leave accumulated.

Employees hired on/after June 1, 2014, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 150 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

SUMMARY OF ELIGIBILITY AND COVERAGE

Painters – Local Union 90

Upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated.

Employees hired on/after October 1, 2014, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Part-Time Employees

For hours earned prior to November 1, 1988, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 90 days, and their straight pay rate for days over 90 days.

For hours earned on/after November 1, 1988, upon retirement or death, employees shall be paid 1/2 of their Sick Leave accumulated.

Employees hired on/after July 1, 2014, shall not be paid for any sick hours earned upon retirement or death.

There are no maximum days for payout.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Plumbers – Local Union 137

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after April 1, 2017, shall no longer be eligible for sick leave payout.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Police Unit No. 5

For hours earned prior to January 1, 1994, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated for up to 720 hours, and their straight pay rate for hours over 720 hours.

For hours earned on/after January 1, 1994, upon retirement or death, employees shall be paid 1/2 of their pay rate at retirement for Sick Leave accumulated.

Employees hired prior to January 1, 1999, shall be compensated for, at most, 1680 hours. Employees hired on/after January 1, 1999, and before July 1, 2012, shall be compensated for, at most, 1200 hours.

Employees hired on/after July 1, 2012, shall be compensated for, at most, 400 hours.

Employees must have completed a minimum of 10 years of service to participate. There is no minimum age requirement to participate.

Summary of Eligibility and Coverage

Teamsters – Local Union 916

Parking

For hours earned prior to November 1, 1988, upon retirement or death, employees shall be paid 5/12 of their pay rate at retirement for Sick Leave accumulated up to 90 days, and their straight pay rate for days over 90 days.

For hours earned on/after November 1, 1988, upon retirement or death, employees shall be paid 1/2 of their pay rate at retirement for Sick Leave accumulated.

Employees hired on/after January 1, 2013, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 240 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

Security

Upon retirement or death, employees shall be paid 5/12 of their Sick Leave accumulated.

Employees hired on/after July 1, 2012, shall not be paid for any sick hours earned upon retirement or death.

Employees shall be compensated for, at most, 90 days.

Employees must have reached at least age 55 and have at least eight years of continuous city service to be eligible.

GLOSSARY OF TERMS

Terminology

GLOSSARY OF TERMS

TERMINOLOGY

Actuarial Accrued Liability ("AAL") – The AAL is the actuarial present value of future benefits based on employees' service rendered to the measurement data using the selected actuarial cost method. It is that portion of the Actuarial Present Value of plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

> *Retirees & Dependents* – Former employees who have satisfied the age and service requirement and are currently receiving postretirement health care benefits
> *Actives Fully Eligible* – Active employees who have satisfied the age and service requirement for postretirement health care benefits
> *Actives Not Fully Eligible* – Active employees who have not yet satisfied the age and service requirement for postretirement health care benefits

Market Value of Liability ("MVL") – The MVL is the portion of the present value of future benefits that only recognizes benefits accrued to date. It is the present value of the amount the plan expects to pay employees based on accumulated service and current salary at the time of measuring the liability.