

June 10, 2015

Honorable Nicholas A. Mattiello  
82 Smith Street  
Room 306  
Providence RI, 02903

Honorable M. Teresa Paiva Weed  
82 Smith Street  
Room 211  
Providence RI, 02903

**Re: Actuarial Analysis of House Bill 5900, SUB A, Article 21**

As requested, this is our actuarial analysis of House Bill 5900, SUB A, Article 21 (Art21) as a result of the Rhode Island Retirement Security Act of 2011 (Act) which makes changes to all plans administered by the Employees' Retirement System of Rhode Island (ERSRI), including:

- ERSRI State Employees (including Correctional Officers, and Nurses)
- ERSRI Teachers
- Municipal Employees Retirement System (MERS), including General Employees and Public Safety
- Judicial Retirement Benefits Trust (JRBT)
- State Police Retirement Benefits Trust (SPRBT)

This analysis provides information on all of the Plans except for the JRBT and the SPRBT. Analysis on those Plans will be provided at a later time.

**Summary of Proposed Changes**

Art21 makes the following changes to all of the plans effective July 1, 2015, except where noted separately.

- A one-time 2% COLA payable immediately to all applicable retirees/beneficiaries that retired on or before June 30, 2012 on the first \$25,000 of pension benefit without the contingency of being 80% funded or the investment return. This does not impact the indexing of the \$25,000 for future years.
- Two one-time \$500 stipends payable to all current retirees/beneficiaries that retired on or before July 1, 2015. One payable 60 days following enactment of this proposal and the final one payable one year later.
- The COLA formula will become 50% of the COLA using the previous 5-year average of investment returns, with a maximum increase of 4%; and 50% of the previous Schedule B COLA, which is the previous year's CPI-U with a maximum increase of 3%, for a total maximum increase of 3.50%.

- The COLA payment will be contingent on the individual plan being 80% funded. However, every 4<sup>th</sup> year, if the COLA has been suspended for three consecutive years, the COLA may occur even if the plan is less than 80% funded.
- For current retirees/beneficiaries that retired on or before July 1, 2015, the \$25,000 COLA cap will be increased to \$30,000 (indexed) for any COLA payable based on the every 4<sup>th</sup> year provision (any COLA suspended based on less than 80% funding ratio).
- For State Workers, Teachers, and General MERS active members with 20 years of service as of June 30, 2012, they will receive future accruals (post July 1, 2015) at a rate of 2% per year and no longer participate in the defined contribution plan. The members will keep their DC balances as of 6/30/2015. For this accrual, these employees will pay higher member contribution rates. For State workers and Teachers, the member contribution rate will be 11% of pay. For General MERS, the member contribution will be 8.25% or 9.25% depending on whether the unit has a COLA provision.
- For State Workers, Teachers, and General MERS active members with more than 10 years of service (but less than 20 years of service) as of June 30, 2012, there will be an additional employer contribution of 0.25% if the member has between 10 and 15 years of service and 0.50% if the member has between 15 and 20 years of service.
- For State Workers, Teachers, and General MERS active members who earn less than \$35,000 per year, the administrative fee in the defined contribution plan will be waived.
- All current and future State Workers, Teachers, and General MERS active members will be eligible to retire with full benefits at the earlier of their current RIRSA date or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.
- For members who will be impacted by the RIRSA part-time anti-spiking rule, if the highest 5-year average calculation is less than the \$35,000 indexed, the pension will be based on the greater of the following: (1) highest 10 year average earnings, or (2) highest 5-year earnings with an indexed \$35,000 cap.
- The Early retirement reduction for employees who choose to retire before eligible for full unreduced benefits will be based on the following schedule: 9% for year 1, 8% for year 2, 7% for each year thereafter.
- For Correctional officers active as of June 30, 2012 with fewer than 25 years of service as of that date, the benefit accrual will be 3% per year for years 31-35.
- For MERS Police & Fire, current and future members can retire with full benefits at the earlier of their current RIRSA retirement age or at the attainment of age 50 with at least 25 years of service or the attainment of any age and 27 years of service. Members will pay an additional 2.00% member contribution rate beginning July 1, 2015.

- For MERS Police & Fire, active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit and one calculated based on a 2.25% multiplier for all years of service.
- For MERS and for the local employer portion of the Teacher contributions, the UAAL will be re-amortized back 4 additional years to 25.

**Analysis**

The combination of these provisions will increase the combined employer contribution for Fiscal 2017 by \$14.7 million. The numbers below assume all employee and retiree groups will receive the enhanced benefits. In addition, the impact of re-amortization is included as applicable.

Unfunded Actuarial Accrued Liability (\$ in millions)			
as of June 30, 2014			
Group	Current Provisions	Proposed	Difference
ERSRI - State Employees	\$ 1,817	\$ 1,920	\$ 103
ERSRI - Teachers	2,534	2,682	148
MERS - General Employees	160	179	19
MERS - Public Safety	92	113	20
Total	\$ 4,604	\$ 4,894	\$ 290

Estimated Employer Contribution Amounts, DB and DC combined (\$ in millions)				
Fiscal Year 2017				
Group	Projected Payroll	Current Provisions	Proposed	Difference
ERSRI - State Employees	719.8	\$ 178.4	\$ 188.6	\$ 10.2
ERSRI - Teachers (State's Portion)	1,042.4	102.7	109.7	7.0
ERSRI - Teachers (Local Portion)	1,042.4	149.8	146.4	(3.4)
MERS - General Employees	245.6	32.0	32.9	0.9
MERS - Public Safety	93.2	16.4	16.4	0.0
Total		\$ 479.3	\$ 494.0	\$ 14.7

Based on Projected Payrolls Shown

Estimated Increase in Employer Contribution Amounts, DB and DC combined (\$ in millions)					
Group	FY2016	FY2017	FY2018	FY2019	FY2020
ERSRI - State Employees	\$ -	\$ 10.2	\$ 10.5	\$ 10.9	\$ 11.2
ERSRI - Teachers	-	3.6	3.7	3.8	3.9
MERS - General Employees	-	0.9	0.9	1.0	1.0
MERS - Public Safety	-	0.0	0.0	0.0	0.0
Total	\$ -	\$ 14.7	\$ 15.2	\$ 15.7	\$ 16.2

More detail is provided in the attached exhibits.

**Data and Assumptions**

We prepared our analysis as though the bill would be effective July 1, 2015 and will impact the fiscal year 2017 contribution rates. We assume the fiscal year 2015 and 2016 employer contribution rates would remain unchanged. To prepare these analyses, we used member and financial data supplied by ERSRI as of June 30, 2014.

We based the analyses on the actuarial assumptions and methods previously adopted by the Retirement Board. However, in connection with the retirement eligibility analyses, we modified the retirement rates consistent with the proposals. Anyone we would have assumed would retire under the current provisions before the earliest allowable age under the proposal was assumed to retire once eligible. In addition, we assume no members would retire within 1 year of the 57/30 provision and an additional 20% of members would retire immediately upon attaining 57/30.

For future benefit adjustments, we assumed the average adjustment would be 2.2% and be provided without suspension for all MERS units because most of these plans will be 80% funded after the legislation passes. For State Employees, Teachers, State Police, and Judges based on projections, we project the benefit adjustments will be suspended for approximately 14 years, except for the intermittent adjustment every fourth year.

### **Other General Comments**

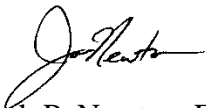
This letter is intended to describe the financial and actuarial effect of the proposed plan changes on ERSRI. Changes in retirement eligibility, for example, could impact the cost of post-retirement medical benefits, but we have not analyzed this effect.

Our calculations are based upon assumptions regarding future events, which may or may not materialize. Please bear in mind that actual results could deviate significantly from our projections, depending on actual plan experience.

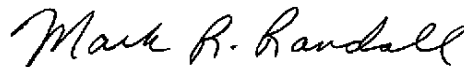
We are not attorneys, and nothing in this letter should be construed as providing legal or tax advice. No statement in this letter is intended to be interpreted as a recommendation in favor of the changes or in opposition to them.

We certify that the undersigned are members of the American Academy of Actuaries and that we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. If you have any questions, or require any additional clarifying information, please do not hesitate to contact either one of the undersigned.

Respectfully submitted,



Joseph P. Newton, FSA, MAAA, EA  
Senior Consultant



Mark R. Randall, MAAA, EA  
Executive Vice President

cc: Mr. Mark Dingley  
Mr. Andrew Roos  
Mr. Jeffrey Padwa

## Exhibit S: State Employees

### Employees' Retirement System of Rhode Island - State Employees

#### Defined Benefit Contributions Only Based on the June 30, 2014 Actuarial Valuation

		Current Provisions	Proposed
1.a.	Unfunded actuarial accrued liability	\$ 1,817.2	\$ 1,920.0
1.b.	Change		102.7
2.a.	Funded ratio	57.4%	56.1%
2.b.	Change		-1.3%
FY2017 Contribution Information			
3.a.	Contribution rate for FY 2017	23.78%	25.34%
3.b.	Change		<b>1.56%</b>
4.a.	Projected FY 2017 payroll	\$ 719.8	\$ 719.8
4.b.	Projected contribution	171.2	182.4
4.c.	Change		<b>11.2</b>

\$ in millions

## Exhibit T: Teachers

### Employees' Retirement System of Rhode Island - Teachers

#### Defined Benefit Contributions Only Based on the June 30, 2014 Actuarial Valuation

		Current Provisions	Proposed
1.a.	Unfunded actuarial accrued liability	\$ 2,534.4	\$ 2,682.4
1.b.	Change		148.0
2.a.	Funded ratio	59.6%	58.2%
2.b.	Change		-1.35%
FY2017 Contribution Information			
3.a.	Contribution rate for FY 2016	22.76%	23.13%
3.b.	Change		<b>0.37%</b>
4.a.	Projected FY 2017 payroll	\$ 1,042.4	\$ 1,042.4
4.b.	Projected contribution	237.3	241.1
4.c.	Change		<b>3.8</b>

\$ in millions

The local employers' portion would be 13.18% and the State's portion would be 9.95%

**Exhibit B: By Employer Exhibit**  
**Impact on Projected Employer Contributions, by Employer**  
**Defined Benefit and Defined Contribution Combined**

Unit	FY2017 Projected Contributions		
	Current	Proposed	Increase
	(1)	(2)	(3)
Barrington	\$ 5,334,803	\$ 5,305,160	\$ (29,643)
Bristol/Warren	6,379,808	6,322,040	(57,768)
Burrillville	3,169,001	3,178,198	9,197
Central Falls	3,538,248	3,492,057	(46,191)
Chariho (Charlestown, Richmond, Hopkinton)	5,697,984	5,630,715	(67,269)
Coventry	7,228,941	7,070,474	(158,467)
Cranston	17,584,868	17,805,290	220,422
Cumberland	6,755,798	6,614,281	(141,517)
East Greenwich	4,537,606	4,468,200	(69,406)
East Providence	10,097,449	9,857,723	(239,726)
Exeter/ West Greenwich	2,818,437	2,767,873	(50,564)
Foster/ Glocester	3,429,955	3,404,716	(25,239)
Jamestown	1,031,508	1,035,541	4,033
Johnston	5,496,837	5,399,116	(97,721)
Lincoln	4,794,288	4,699,931	(94,357)
Little Compton	401,758	392,622	(9,136)
Middletown	4,036,874	3,998,100	(38,774)
Narragansett	2,150,307	2,105,990	(44,317)
New Shoreham	564,445	565,794	1,349
Newport	5,932,986	5,824,972	(108,014)
North Kingstown	8,269,840	8,119,455	(150,385)
North Providence	5,419,870	5,212,809	(207,061)
North Smithfield	2,352,231	2,351,572	(659)
Northern RI Collaborative	448,299	444,856	(3,443)
Pawtucket	11,744,759	11,581,695	(163,064)
Portsmouth	3,004,880	2,941,383	(63,497)
Providence	23,484,443	22,917,751	(566,692)
Scituate	2,321,916	2,292,492	(29,424)
Smithfield	3,892,076	3,943,849	51,773
South Kingstown	6,405,207	6,390,224	(14,983)
Tiverton	2,695,958	2,704,283	8,325
Warwick	12,179,574	11,885,674	(293,900)
West Bay Collaborative Teachers	129,285	126,166	(3,119)
West Warwick	3,677,076	3,592,812	(84,264)
Westerly	4,368,381	4,276,072	(92,309)
Woonsocket	9,139,400	9,216,952	77,552
Charter School Teachers	307,176	299,764	(7,412)
Paul Cuffee School	816,651	796,945	(19,706)
Kingston Hill Academy, Inc.	134,558	131,311	(3,247)
International School	288,147	281,194	(6,953)
The Compass School	132,996	129,787	(3,209)
The Blackstone Academy	106,807	104,230	(2,577)
Beacon Charter School of Woonsocket	185,821	181,337	(4,484)
*1711	509,300	497,011	(12,289)
*1721	181,264	176,890	(4,374)
*1731	141,216	137,808	(3,408)
*1741	130,828	127,671	(3,157)
*1751	154,846	151,109	(3,737)
<b>Total</b>	<b>\$ 203,604,706</b>	<b>\$ 200,951,894</b>	<b>\$ (2,652,812)</b>

\* Misc Teacher Agency Code

## Exhibit M: MERS

### Municipal Employees Retirement System (Defined Benefit Contributions Only) Based on the June 30, 2014 Actuarial Valuation

Unit	FY2017 Contribution Rate			UAAL as of June 30, 2014			Funded Ratio as of June 30, 2014		
	Proposed	Current		Proposed	Current Provisions		Proposed	Current	
		Provisions	Difference		Difference	Provisions		Difference	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Employee Units</b>									
Bristol	14.80%	14.80%	0.00%	5,989,587	5,622,460	367,127	73.1%	74.3%	-1.2%
Burrillville	8.06%	6.98%	1.08%	455,574	(100,634)	556,208	98.3%	100.4%	-2.1%
Central Falls	12.47%	13.16%	-0.69%	2,006,147	2,018,684	(12,538)	70.6%	70.4%	0.2%
Charlestown	8.38%	7.86%	0.52%	518,003	415,738	102,265	92.3%	93.7%	-1.4%
Cranston	9.50%	8.39%	1.11%	5,523,462	2,941,961	2,581,501	95.9%	97.8%	-1.9%
Cumberland	12.87%	13.32%	-0.45%	7,874,269	7,914,774	(40,505)	74.1%	74.0%	0.1%
East Greenwich	5.14%	4.36%	0.78%	(1,039,936)	(1,155,512)	115,576	116.2%	118.3%	-2.1%
East Providence	24.43%	25.17%	-0.74%	42,458,020	40,457,968	2,000,051	58.7%	59.9%	-1.2%
West Greenwich	12.05%	11.59%	0.46%	1,590,765	1,385,679	205,086	84.3%	86.0%	-1.7%
Foster	10.46%	10.46%	0.00%	443,455	443,668	(213)	88.0%	88.0%	0.0%
Glocester	10.28%	9.68%	0.60%	1,114,353	957,164	157,189	87.7%	89.2%	-1.5%
Hopkinton	3.56%	3.06%	0.50%	(980,510)	(1,034,393)	53,883	124.7%	126.5%	-1.8%
Jamestown	10.12%	9.66%	0.46%	1,729,942	1,507,600	222,342	87.2%	88.7%	-1.5%
Johnston	16.09%	15.93%	0.16%	10,658,333	9,841,003	817,331	74.0%	75.5%	-1.5%
Lincoln	11.54%	11.91%	-0.37%	523,807	520,880	2,927	77.3%	77.4%	-0.1%
Middletown	10.59%	10.32%	0.27%	3,525,136	3,201,102	324,034	82.4%	83.8%	-1.4%
Newport	21.26%	21.65%	-0.39%	25,673,666	24,309,103	1,364,564	63.7%	65.0%	-1.3%
New Shoreham	7.78%	7.10%	0.68%	116,907	8,193	108,714	98.2%	99.9%	-1.7%
North Kingstown	16.95%	16.91%	0.04%	16,181,757	15,066,147	1,115,610	73.3%	74.7%	-1.4%
North Providence	5.66%	5.40%	0.26%	(1,671,377)	(1,628,121)	(43,256)	106.5%	106.3%	0.2%
North Smithfield	6.14%	5.19%	0.95%	(831,045)	(1,079,603)	248,558	106.5%	108.6%	-2.1%
Pawtucket	16.29%	16.13%	0.16%	28,093,326	25,984,656	2,108,669	75.9%	77.3%	-1.4%
Union Fire District	7.54%	7.45%	0.09%	27,559	26,256	1,304	95.6%	95.8%	-0.2%
Richmond	8.78%	8.67%	0.11%	299,023	291,851	7,171	86.5%	86.7%	-0.2%
Scituate	13.86%	13.48%	0.38%	2,761,425	2,515,594	245,831	78.4%	79.9%	-1.5%



## Exhibit M: MERS

### Municipal Employees Retirement System (Defined Benefit Contributions Only) Based on the June 30, 2014 Actuarial Valuation

Unit	FY2017 Contribution Rate			UAAL as of June 30, 2014			Funded Ratio as of June 30, 2014		
	Proposed	Current		Proposed	Current Provisions		Proposed	Current	
		Provisions	Difference		Difference	Provisions		Difference	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Smithfield	7.69%	6.86%	0.83%	110,696	(61,355)	172,052	99.1%	100.5%	-1.4%
South Kingstown	11.18%	10.57%	0.61%	6,236,923	5,211,833	1,025,090	88.8%	90.5%	-1.7%
Tiverton	2.82%	2.06%	0.76%	(2,206,511)	(2,382,457)	175,947	121.4%	123.5%	-2.1%
Warren	11.37%	11.23%	0.14%	1,713,905	1,610,010	103,895	73.9%	75.1%	-1.2%
Westerly	0.00%	0.00%	0.00%	787,484	787,592	(109)	21.4%	21.4%	0.0%
West Greenwich	15.21%	15.27%	-0.06%	1,355,402	1,274,497	80,905	63.8%	65.2%	-1.4%
Woonsocket	11.21%	10.05%	1.16%	5,719,204	4,329,122	1,390,082	91.3%	93.3%	-2.0%
Chariho School District	10.59%	10.26%	0.33%	3,135,391	2,851,528	283,863	83.9%	85.1%	-1.2%
Foster/Glocester	10.59%	10.03%	0.56%	770,360	633,626	136,734	88.9%	90.7%	-1.8%
Tiogue Fire & Lighting	0.00%	0.00%	0.00%	(21,464)	(22,270)	806	184.7%	190.8%	-6.1%
Narragansett Housing	4.72%	4.26%	0.46%	(48,676)	(55,226)	6,550	111.1%	112.7%	-1.6%
Coventry Lighting District	0.00%	0.00%	0.00%	(334,982)	(347,378)	12,396	139.9%	142.0%	-2.1%
Hope Valley Fire	0.57%	0.26%	0.31%	(155,880)	(159,040)	3,160	138.0%	139.1%	-1.1%
East Greenwich Housing	8.84%	8.56%	0.28%	127,055	107,706	19,349	90.6%	91.9%	-1.3%
Cranston Housing	7.23%	6.55%	0.68%	(423,772)	(480,546)	56,774	109.8%	111.2%	-1.4%
East Providence Housing	13.10%	12.64%	0.46%	602,192	528,063	74,129	82.1%	84.0%	-1.9%
Pawtucket Housing	0.00%	0.00%	0.00%	(3,873,683)	(4,019,185)	145,501	140.9%	143.1%	-2.2%
Cumberland Housing	7.36%	6.72%	0.64%	42,723	16,891	25,831	96.8%	98.7%	-1.9%
Lincoln Housing	6.65%	5.92%	0.73%	105,707	62,307	43,399	93.8%	96.3%	-2.5%
Bristol Housing	0.00%	0.00%	0.00%	(575,537)	(578,362)	2,825	140.3%	140.6%	-0.3%
Burrillville Housing	8.16%	7.27%	0.89%	63,679	42,893	20,785	93.5%	95.5%	-2.0%
North Providence Housing	27.66%	28.64%	-0.98%	833,577	796,798	36,780	49.6%	50.7%	-1.1%
East Smithfield Water	3.34%	2.07%	1.27%	(123,320)	(137,207)	13,888	115.3%	117.3%	-2.0%
Greenville Water	1.30%	0.68%	0.62%	(231,804)	(247,655)	15,851	125.3%	127.5%	-2.2%
Newport Housing	17.90%	17.91%	-0.01%	2,474,930	2,305,864	169,066	72.1%	73.5%	-1.4%

## Exhibit M: MERS

### Municipal Employees Retirement System (Defined Benefit Contributions Only) Based on the June 30, 2014 Actuarial Valuation

Unit	FY2017 Contribution Rate			UAAL as of June 30, 2014			Funded Ratio as of June 30, 2014		
	Proposed	Current Provisions	Difference	Proposed	Current Provisions	Difference	Proposed	Current Provisions	Difference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Warren Housing	2.92%	1.71%	1.21%	(84,083)	(111,389)	27,306	107.1%	109.6%	-2.5%
Johnston Housing	11.13%	11.39%	-0.26%	191,873	191,696	177	85.4%	85.5%	-0.1%
Tiverton Local 2670A	9.95%	9.16%	0.79%	417,691	321,794	95,897	90.1%	92.2%	-2.1%
Barrington COLA	8.90%	8.18%	0.72%	1,570,061	1,072,543	497,519	95.3%	96.8%	-1.5%
Coventry Housing	7.05%	6.90%	0.15%	9,779	7,873	1,906	99.1%	99.2%	-0.1%
South Kingstown Housing	3.08%	2.81%	0.27%	(129,145)	(132,079)	2,933	157.8%	159.9%	-2.1%
N. RI Collaborative Adm. Services	11.04%	10.55%	0.49%	583,784	512,270	71,514	82.2%	84.0%	-1.8%
West Warwick Housing	8.39%	7.73%	0.66%	80,123	49,886	30,237	95.4%	97.1%	-1.7%
Smithfield Housing	0.00%	0.00%	0.00%	(129,760)	(130,780)	1,020	145.0%	145.5%	-0.5%
Smithfield COLA	9.53%	8.92%	0.61%	1,509,367	1,250,277	259,090	90.0%	91.6%	-1.6%
Central Falls Housing	10.82%	10.79%	0.03%	788,370	743,583	44,787	71.9%	73.1%	-1.2%
Lime Rock Administrative Services	13.65%	13.93%	-0.28%	92,842	91,329	1,513	74.2%	74.5%	-0.3%
Central Falls Schools	7.67%	6.77%	0.90%	598,998	302,317	296,681	95.9%	97.9%	-2.0%
Bristol/Warren Schools	15.66%	15.47%	0.19%	5,412,231	4,954,572	457,659	74.3%	75.9%	-1.6%
Town of E. Greenwich-COLA-NCE	5.14%	4.36%	0.78%	(970,650)	(1,289,844)	319,194	105.0%	106.8%	-1.8%
Harrisville Fire District (ADMIN)	4.16%	3.63%	0.53%	(77,162)	(83,577)	6,415	114.2%	115.5%	-1.3%
East Greenwich Fire (ADMIN)	9.26%	8.24%	1.02%	21,473	15,959	5,514	93.6%	95.2%	-1.6%
Albion Fire District (ADMIN)	0.00%	0.00%	0.00%	(24,599)	(24,599)	-	124.9%	124.9%	0.0%
<b>General Employee Units Average</b>	12.38%	12.02%	0.36%	178,986,437	160,242,099	18,744,338	83.6%	85.0%	-1.4%
<b>Police and Fire Units</b>									
Johnston Fire	7.40%	8.36%	-0.96%	1,594	(186,208)	187,802	100.0%	103.9%	-3.9%
Richmond Police	10.36%	10.94%	-0.58%	344,743	258,736	86,007	79.6%	83.8%	-4.2%
Smithfield Police	8.26%	6.22%	2.04%	(24,351)	(842,481)	818,130	100.2%	107.5%	-7.3%
Valley Falls Fire	15.95%	17.20%	-1.25%	1,011,991	932,953	79,038	75.8%	77.3%	-1.5%
North Smithfield Voluntary Fire	16.21%	16.38%	-0.17%	1,376,871	1,152,878	223,992	82.2%	84.6%	-2.4%

## Exhibit M: MERS

### Municipal Employees Retirement System (Defined Benefit Contributions Only) Based on the June 30, 2014 Actuarial Valuation

Unit	FY2017 Contribution Rate			UAAL as of June 30, 2014			Funded Ratio as of June 30, 2014		
	Proposed	Current Provisions	Difference	Proposed	Current Provisions	Difference	Proposed	Current Provisions	Difference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
East Greenwich Fire	26.42%	27.82%	-1.40%	6,815,531	6,257,914	557,618	61.0%	63.0%	-2.0%
East Greenwich Police	26.33%	27.72%	-1.39%	5,935,892	5,415,110	520,782	69.1%	71.0%	-1.9%
North Kingstown Fire	27.51%	28.75%	-1.24%	11,415,124	10,397,720	1,017,403	71.2%	73.0%	-1.8%
North Kingstown Police	25.19%	25.28%	-0.09%	8,301,325	7,277,914	1,023,411	69.0%	71.7%	-2.7%
North Providence Fire	21.33%	23.82%	-2.49%	11,258,795	10,921,399	337,396	72.5%	73.1%	-0.6%
Barrington Fire (25)	8.41%	7.76%	0.65%	201,052	17,969	183,083	90.7%	99.1%	-8.4%
Barrington Police	29.63%	30.25%	-0.62%	5,029,816	4,553,313	476,503	61.1%	63.4%	-2.3%
Barrington Fire (20)	0.00%	0.00%	0.00%	3,008,163	2,883,473	124,690	69.7%	70.6%	-0.9%
Warren Police & Fire	26.59%	27.49%	-0.90%	4,384,868	3,974,618	410,250	67.0%	69.2%	-2.2%
South Kingstown Police	23.85%	23.96%	-0.11%	7,496,131	6,547,553	948,579	73.9%	76.4%	-2.5%
Scituate Police	0.00%	0.00%	0.00%	(174,571)	(174,571)	0	933.7%	933.7%	0.0%
North Smithfield Police	20.42%	19.56%	0.86%	2,870,770	2,419,505	451,264	74.8%	77.9%	-3.1%
Tiverton Fire	15.71%	14.70%	1.01%	1,848,874	1,358,814	490,060	83.5%	87.3%	-3.8%
Foster Police	24.31%	25.33%	-1.02%	927,737	826,249	101,488	72.5%	74.8%	-2.3%
Woonsocket Police	27.16%	27.36%	-0.20%	15,606,931	13,785,045	1,821,887	68.1%	70.7%	-2.6%
Charlestown Police	23.07%	23.60%	-0.53%	3,335,492	2,963,091	372,401	70.5%	72.9%	-2.4%
Hopkinton Police	29.37%	29.61%	-0.24%	2,923,265	2,619,636	303,630	64.0%	66.4%	-2.4%
Glocester Police	17.02%	16.51%	0.51%	1,222,676	930,036	292,640	81.7%	85.5%	-3.8%
West Greenwich Police/Rescue	19.97%	21.44%	-1.47%	1,448,250	1,318,436	129,813	70.0%	71.9%	-1.9%
Burrillville Police	20.27%	20.86%	-0.59%	2,049,905	1,763,360	286,545	80.9%	83.2%	-2.3%
Cumberland Rescue	9.47%	9.26%	0.21%	88,452	(102,198)	190,650	98.3%	102.0%	-3.7%
Woonsocket Fire	11.16%	10.07%	1.09%	2,587,442	801,009	1,786,432	93.8%	98.0%	-4.2%
Bristol Fire	16.16%	18.84%	-2.68%	68,109	68,386	(277)	79.8%	79.7%	0.1%
Cumberland Hill Fire	28.68%	27.72%	0.96%	2,343,781	2,022,958	320,822	62.1%	65.5%	-3.4%
Bristol Police	5.82%	4.69%	1.13%	(762,031)	(1,186,373)	424,342	116.2%	127.8%	-11.6%

## Exhibit M: MERS

### Municipal Employees Retirement System (Defined Benefit Contributions Only) Based on the June 30, 2014 Actuarial Valuation

Unit	FY2017 Contribution Rate			UAAL as of June 30, 2014			Funded Ratio as of June 30, 2014		
	Proposed	Current		Proposed	Current Provisions		Proposed	Current	
		Provisions	Difference		Difference	Provisions		Difference	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Coventry Fire	21.07%	21.72%	-0.65%	2,142,177	1,847,986	294,190	61.2%	64.6%	-3.4%
South Kingstown EMT	4.93%	4.17%	0.76%	(449,297)	(629,307)	180,010	114.9%	122.3%	-7.4%
North Cumberland	21.73%	22.43%	-0.70%	1,347,729	1,163,056	184,673	76.0%	78.6%	-2.6%
Central Coventry Fire	17.27%	17.69%	-0.42%	3,482,791	3,009,591	473,199	71.9%	74.7%	-2.8%
Hopkins Hill Fire	12.81%	13.79%	-0.98%	269,685	204,275	65,410	88.1%	90.7%	-2.6%
Cranston Police	11.40%	9.40%	2.00%	2,973,017	406,391	2,566,626	90.9%	98.7%	-7.8%
Cranston Fire	7.42%	7.41%	0.01%	(2,937,593)	(4,567,390)	1,629,796	106.3%	110.2%	-3.9%
Cumberland Fire	22.38%	23.37%	-0.99%	1,469,682	1,308,875	160,806	70.8%	73.1%	-2.3%
Lincoln Rescue	17.35%	17.72%	-0.37%	1,418,567	1,218,770	199,797	68.0%	71.2%	-3.2%
New Shoreham Police	21.08%	23.29%	-2.21%	527,952	490,826	37,126	66.8%	68.4%	-1.6%
Middletown Police & Fire	6.38%	6.03%	0.35%	(731,151)	(1,080,159)	349,008	119.7%	132.1%	-12.4%
Harrisville Fire District	5.26%	5.96%	-0.70%	(154,648)	(174,797)	20,149	115.4%	117.8%	-2.4%
Albion Fire District	19.64%	18.87%	0.77%	395,589	312,254	83,335	63.2%	68.5%	-5.3%
Johnston Police	7.42%	8.38%	-0.96%	21,678	4,939	16,739	91.0%	97.8%	-6.8%
Smithfield Fire	8.53%	8.89%	-0.36%	10,663	(5,667)	16,330	98.5%	100.8%	-2.3%
<b>Police &amp; Fire Units Average</b>	16.21%	16.25%	-0.03%	112,729,464	92,485,887	20,243,577	79.2%	82.3%	-3.1%
<b>All MERS Units Average</b>	13.47%	13.23%	0.24%	291,715,901	252,727,986	38,987,915	82.1%	84.1%	-2.0%