

Brief Summary of Plan Provisions as of December 31, 2016

Group	Eligibility	Straight Life Amount*
NORMAL RETIREMENT		
Local 1128 AFSCME (Hired before 8/4/88)	Age 55 with 8 or more years of service (10 or more years if hired after 8/1/82) or 25 years of service regardless of age.	55% of 5 year highest final average earnings (FAE).
Local 1917 (Hired before 8/4/88)	Age 55 with 8 or more years of service or 25 years of service regardless of age.	55% of 5 year highest FAE.
TGM/AEA (Hired before 5/18/88)	Age 55 with 4 or more years of service or 25 years of service regardless of age.	FAE times 30% for first 4 years of service, an additional 6.25% for years 5-8 and 10% for 13 th year to max 65%.
Elected Officials (Hired before 11/27/89)	Age 55 with 4 or more years of service or 25 years of service regardless of age.	FAE times 30% for first 4 years of service, an additional 6.25% for years 5-8 to max 55%.
Local 1128 AFSCME and Local 1917 (Hired on or after 8/4/88)	Age 55 with 10 or more years of service (50 with 25 as of 1/1/2009). Excludes members hired after 12/22/04.	FAE times 2.2% times total service to max of 25 years.
TGM/AEA (Hired on or after 5/18/88)	Age 55 with 5 or more years of service. Excludes TGM/AEA hired after 3/6/01 and employees transferred from another bargaining unit on or after November 1, 2008.	FAE times 30% for first 5 years of service, an additional 2.5% for years 6-12, 5% for 13 th year, 7.5% for 14 th year and 5% for 15 th year to max 65%.
Elected Officials (Hired on or after 11/27/89)	Age 55 with 5 or more years of service. Excludes City Council elected on or after 11/25/97, Judges elected on or after 10/1/08 and Mayor, Clerk, Treasurer elected on or after 11/8/05.	FAE times 30% for first 5 years of service, an additional 2.5% for years 6-15 to max 55%.
DEFERRED RETIREMENT		
Local 1128 AFSCME (Hired before 8/4/88)	8 years of service (10 years of service if hired after 8/1/82). Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
Local 1917 (Hired before 8/4/88)	8 years of service. Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
TGM/AEA (Hired before 5/18/88) and Elected Officials (Hired before 11/27/89)	4 years of service. Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
Local 1128 and Local 1917 (Hired on or after 8/4/88)	10 years of service. Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
TGM/AEA (Hired on or after 5/18/88) and Elected Officials (Hired on or after 11/27/89)	5 years of service. Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.

The System also provides early retirement, late retirement, disability and death-in-service survivor benefits which you or your spouse may be eligible to receive.

* Reduced optional forms of payment are also available to provide a benefit for an eligible survivor.

City of Taylor General Employees Retirement System

Summary Annual Report to Members December 31, 2016

Dear Taylor General Employees Retirement System Member:

The Retirement System is designed to help you meet the financial needs of you and your family by providing a pension in the event you should retire, become disabled, or die.

The benefits are administered by the City of Taylor, and funded by contributions and investment earnings. The System retains professional advisors to assist in fulfilling its responsibilities.

The summary report has been prepared to give you a brief overview of the Retirement System and how it operates. We hope you will find it useful and informative. However, this summary is not intended to cover all the details of the Retirement System, which is governed by the provisions of the City's charter, the City's retirement ordinance, and any applicable collective bargaining agreements. Additional information about the Retirement System and its financial operation is available in the Department of Human Resources and the Treasurer's office.

Respectfully submitted,

Rick Sollars
Mayor, City of Taylor

Board of Trustees

Guido Ulin, 1917 Representative
Edward Bourassa, Treasurer
Snehal Patel, TGM & AEA Representative
Sheila Gorski-Schulte, Human Resource Director
Barb Hall, 1128 Representative
Timothy Faremouth, Citizen Representative
Kevin Gadigian, AFSCME 1128 Representative

Actuary

Gabriel Roeder Smith & Company

Legal Counsel

VanOverbeke, Michaud & Timmony, P.C.

Investment Consultant

The Bogdahn Group

Investment Managers

iShares Russell 1000 Growth
Becker Capital Large Cap Value
Vanguard Mid Cap
Clarkston SMID Core
Granite Small Cap Core
HJK/Trinity Intl Equity

WCM Intl Equity
Becker Capital Core Fixed Income
Templeton Global Bonds
Bloomfield Capital – Direct Lending
American Realty Value Added Real Estate

Custodial Bank

Allmerica Financial
Comerica Trust Department

Summary Results of Actuarial Valuation

Your Retirement Plan's financial objective is to establish and receive contributions that will remain approximately level from year to year and will not have to be increased for future generations of taxpayers.

To determine an appropriate Employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel Roeder Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the Plan's future demographic and economic activity. The results of the December 31, 2016 valuation, based on continuing the established funding objective, are summarized below:

Funded Status - Pension Benefits

Actuarial Accrued Liabilities	\$82,875,223
Actuarial Value of Assets	\$40,450,820
Percent Funded	48.8%

Computed City Contributions for the Fiscal Year Beginning

	July 1, 2018	July 1, 2017
1. Actuarial Present Value of Past & Future Benefits	\$ 83,814,260	\$ 83,985,908
2. Funding Value of Assets	40,450,820	40,066,196
3. Present Value of Future Employee Contributions	644,626	757,398
4. Unfunded Present Value of Benefits: [(1) - (2) - (3)]	42,718,814	43,162,314
5. City's Annual Normal Cost*	\$ 3,968,766	\$ 3,827,534

* This is expected to be contributed on October 1, 2017 for the fiscal year beginning July 1, 2017 and October 1, 2018 for the fiscal year beginning July 1, 2018. If contributions are delayed, interest should be added at a rate of 0.604% for each month of delay. Contributions are subject to change if underlying assumptions are

Annual Required Contribution for Fiscal Year

Beginning July 1, 2016

Annual Required Contribution	\$ 3,530,436
Actual Employer Contribution	\$ 3,530,436
Percent Contributed	100%

Plan Membership

Active Member	
Count	53
Payroll	\$3,153,836
Retirees/Beneficiaries	
Count	261
Total Annual Benefits	\$ 6,797,568
Average Annual Benefit	\$ 26,044
Deferred Vested Members	
Count	24
Total Estimated Annual Benefits	\$506,467

Change in Plan Assets for Calendar Year 2016

Additions:

Contributions	
Employer	\$ 3,530,436
Plan members	164,004
Total	3,694,440
Investment Income	2,946,341
Total Additions	\$ 6,640,781

Deductions:

Benefits Paid	\$ 6,089,417
Administrative Expenses	65,783
Investment Expenses	181,392
Total Deductions	\$ 6,336,592

Net Increase \$ 304,189

Net assets held in Trust Fund at Fair Value:

Beginning of year	\$ 38,393,908
End of year	\$ 38,698,097

Market Value Rate of Return

Average Annual Gross Market Rate of Return Period Ending December 31, 2016

1 Year	7.95%
3 Years	4.07%
5 Years	8.44%
7 Years	7.23%
10 Years	5.07%

Actuarial Assumptions for Valuations

Assumed Rate of Investment Return

7.5%

Assumed Rate of Long-term Wage Inflation

1.0%

Smoothing Method for Actuarial Value of Assets

5-year smoothed market

Amortization Method and Period

Level dollar closed for 21 years as of December 31, 2016
24 years as of December 31, 2015
27 years as of December 31, 2014
28 years as of December 31, 2013

Actuarial Cost Method

Aggregate