

**Tennessee Consolidated Retirement System
Employer Actuarially Determined Contribution (ADC) Rate**

Department Code(s): 836.70
CROSSVILLE

Applicability

Applicable period for this employer rate: July 1, 2016 through June 30, 2017
Actuarial valuation date: June 30, 2015
Actuarial experience study date: June 30, 2012

Basis for Determining the Actuarially Determined Contribution Rate

Actuarial Methodology

Actuarial cost method	Entry age normal
Accrued liability amortization method	Level dollar, closed period
Amortization period of unfunded accrued liability by tiers:	<u>Remaining period</u>
Through June 30, 2013	2.18 Years
July 1, 2013 through June 30, 2015	20 Years

Actuarial Assumptions

Investment rate of return	7.5%, net of investment expenses, including inflation
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation, averaging 4.25%
Inflation	3.0%
Retiree cost of living adjustments (COLAs)	2.5%, if provided
Retirement age	Pattern of retirement based on experience study
Mortality	Customized table based on actuarial experience including an adjustment for some anticipated improvement

Asset Valuation Method

Method	10-year smoothing within a 20% corridor to market value
June 30, 2015 smoothing adjustment	98.84% of market value

Benefit Basis

Base Plan Formula	1.5% formula times years of service
Employee contribution rate	0% of salary
Vesting period	5 years
Retiree COLAs	Provided, CPI based, capped at 3%

Demographic Data

Inactive employees or beneficiaries currently receiving benefits	96
<i>Annualized Retirement Benefit: \$1,023,671</i>	
Inactive employees entitled to but not yet receiving benefits	112
Active employees	<u>123</u>
<i>Annualized Salary: \$4,815,130</i>	
Total	331

Employer Contribution Rate

Components of Employer Rate:

Normal cost	8.82 %
Unfunded accrued liability amortization	4.65 %
Administrative cost	<u>0.17 %</u>
Total employer rate	13.64 %

Actuarial Present Value of Benefits Summary

Actuarial value of assets	\$ 21,479,019
Future employee contributions	0
Future employer normal cost	3,867,914
Unfunded accrued liability	<u>744,197</u>
Total	\$ 26,091,130

Employer Contribution Rate Notification - Tennessee Consolidated Retirement System
(TCRS)

Actuarial Valuation at June 30, 2015

Acknowledgement of employer rate effective July 1, 2016 through June 30, 2017

Department Code: 83670
Department Name: CROSSVILLE

I have read the supporting documentation and I understand the upward pressure on future employer contribution rates.

Please select one of the options below:

Minimum Employer rate: 13.64%

Optional: We choose to pay a higher rate of: 18%

Employer Signature Fred C Houston Title Fin. Dir.

Date 6-1-16 Phone 931-484-8564 Email fred.houston@crossville.tn.gov

Return to:

By email: TCRS.Contributions@tn.gov

By mail: TCRS, 502 Deaderick St., Nashville, TN 37243