

Eaton County 2016 Retiree Health Insurance System Summary Annual Report  
Public Act 530 of 2016

Section 13 (1)(d)

(i)	Name of System	Eaton County
(ii)	Names of Investment Fiduciaries	1) MERS of Michigan is an Investment Fiduciary 2) Robert Robinson, County Treasurer is the Investment Fiduciary
(iii)	Systems Service Providers	MERS of Michigan, Gabriel Roeder Smith (actuary)
(iv)	System's assets and liabilities/changes	Annual statement of fiduciary net position
	Market Value	Balance as of 12/31/14
		\$ 10,083,711.00
		Contributions
		\$ 2,461,621.47
		Benefits Paid
		\$ (2,423,833.39)
	Market Value Changes & Investment income	\$ 878,663.91
		Admin Expenses
		\$ (72,866.99)
	Market Value	Balance as of 12/31/16
		<u>\$ 10,927,296.00</u>
	* Note: The County is currently utilizing a pay-as-you-go method, which during the actuarial period did not require utilization of funds within the trust to pay benefits. Contributions from operations were sufficient to pay benefits without utilizing trust assets.	
(v)	System's funded ratio	20.60%
(vi)	Investment performance	Investment performance net of fees:
		1) MERS                      2) County Trust
	1 year:	10.85%              4.31%
	3 years:	5.32%                3.13%
	5 years:	8.30%                8.98%
	7 years:	8.18%                8.54%
	10 years:	5.11%                4.34%
(vii)	System admin & invest expenses	At December 31, 2016, the costs were 0.39% (0.21% for administration and 0.18% for investments)
(viii)	System's budget	Administrative costs other than investment costs, within the County Treasurer G/F budget.
(ix)	(A) Number of Actives	152
	(B) Number of retirees/beneficiaries	285
	(C) The average annual retirement allowance	N/A
	(D) Total annual retirement allowance	N/A
	(E) Valuation payroll for active employees	N/A
	(F) Normal Cost and/or percentage	679,544
	(G) Total computed employer contribution	\$ 4,319,553 * See Note above (iv).
	(H) Weighted average member contributions	0.00%
	(I) Actuarial investment return	6.00%
	(J) Actuarial long-term inflation	3.00%
	(K) Smoothing method	5 years
	(L) Amortization period	21 years
	(M) Actuarial cost method	Individual Entry Age Actuarial Cost Method
	(N) Open or closed membership	Closed
	(O) Health Care inflation	9% initially; 4.0% ultimately
(x)	Travel report	No travel by County personnel associated with administration of system.

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**Section 20h (7)**

**Eaton County uses the following practices in the determination  
of its Unfunded Actuarial Liability (UAL):**

The County evaluates the assumptions with each biennial valuation to ensure assumptions match actual experience and make adjustments when necessary.

The County uses a fixed amortization period.

The County utilizes a conservative long-term investment rate of return assumption for its actuarial valuation of 6.00%.

**Eaton County has taken the following steps to decrease its unfunded actuarial accrued liabilities  
that have been taken into account in the December 31, 2016 valuation:**

The County closed the benefit to new hires after January 1, 2006

**Eaton County may be taking any one of, or combination of the following steps to decrease its  
unfunded actuarial accrued liabilities, through current collective bargaining negotiations  
with represented employee groups:**

Requiring retiree and current eligible employee cost-sharing.

Eliminating Spousal coverage for current retirees.

Reducing current coverage available.

Replacing health insurance coverage with stipends through health savings accounts for use by retirees for medical expenses including health insurance premiums.