☒ **Amortization of UAL – open DB Plan**

Current Amortization Policy:
26 years

Is this amortization shrinking?

Yes ☒ No ☐

(MERS shrinks the amortization schedule by 1 year, every year)

Decreasing the period in which UAL is spread over expedites the payoff.

☒ **Regular Actuarial Experience Study**

Last study performed: 2009

Scheduled every ________ years

(MERS last Experience Study was performed in 2009)

Regularly performing an actuarial experience study provides Plan oversight, governance and due diligence to ensure experience is close to assumptions.

☒ **Benefit Increases Policy**

Required to be 100 % funded

By limiting when benefit increases can be done, this reduces the risk of developing UAL due to granting benefit enhancements that have not yet been paid for and/or prefunded.

7. ACTIONS THAT MAY BE TAKEN

To reduce Unfunded Accrued Liability in the future, plan design modifications may be made for new hires, including: retirement eligibility and vesting requirements, multipliers, cost-of-living increases, removal of early retirement riders, and increases to the retirement age. In addition, plan changes could be made for new hires, including adopting a hybrid or defined contribution plan. For active employees, bridging the current multiplier to a lower multiplier for future service could also be implemented.

Funding strategies may also be made, including: contributing the annual required contribution to the plan (required by the State Constitution), and contributing more than the minimum required contribution.

Best practice policies include: limiting what is included in the final average compensation calculation, reviewing/reducing the amortization period to pay off unfunded liabilities, performing a regular actuarial Experience Study, and creating a policy on when benefit increases can be made.