

Shelby Township Police and Fire Pension Plan Summary

June 27-2013



SHELBY TOWNSHIP FIRE AND POLICE RETIREMENT SYSTEM

- For every \$ paid in wages to sworn members of the STPD, an additional .37¢ is paid to fund their retirement.
- For 2014, the Township will contribute \$4,043,780 to fund police and fire pensions.
- The pension fund has unfunded, actuarially determined accrued liabilities of \$25,204,279.

SHELBY TOWNSHIP FIRE AND POLICE RETIREMENT SYSTEM

Recent Pensions (Police)

- \$65,677.68 (53)**
- \$77,920.08 (53)**
- \$83,824.08 (51)**
- \$68,931.21 (49)**

Source: Township Finance Department

SHELBY TOWNSHIP FIRE AND POLICE RETIREMENT SYSTEM

Pension Board Steps Taken to Reduce Annual Payments:

- **Changed Amortization Period for 10 to 15 years**

Source: 12-31-12 Actuarial Report, pg. B-6

SHELBY TOWNSHIP FIRE AND POLICE RETIREMENT SYSTEM

Problems with Current “Actuarial Assumption”

- Mortality assumptions are outdated.**
- Economic returns are “aggressive”.**
- Retirement rates need to be reviewed.**

Source: 12/13/13 Actuarial Report, pg. B-10

SHELBY TOWNSHIP FIRE AND POLICE RETIREMENT SYSTEM

Township Recommended Contributions

- 2007: \$3,422,222**
- 2014: \$4,043,780**
- 2020: \$4,979,295**
- 2027: \$6,669,757**

Source: 12/31/12 Actuarial Report, pg. B-7

SHELBY TOWNSHIP FIRE AND POLICE RETIREMENT SYSTEM

P & F Funding Sources

- **05 mill levy (permanent, 1967)**
- **05 mill levy (expires 2022)**

**INSUFFICIENT TO FUND PENSION
CONTRIBUTIONS REQUIRED BY
ACTUARIAL REPORT**
