

Report of
AN ACTUARIAL VALUATION
December 31, 1985 of the
Crookston Fire Department
Relief Association
Crookston, Minnesota

TABLE OF CONTENTS

<u>Pages</u>	<u>Item</u>
1	Signature Page
A-1	Comments
A-3	Contribution Rate
A-4	Present Actuarial Condition
A-6	Comparative Contribution Schedule
A-7	Contribution Work Sheet
B-1	Retirant and Beneficiary Data
B-5	Active Member Data
B-8	Brief Summary of Benefits
C-1	Valuation Method and Assumptions
D-1	Accumulated Plan Benefits Schedule (for FASB 35 compliance)
Appendix I	Financial Principles and Operational Techniques
Appendix II	Meaning of Unfunded Accrued Liabilities

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June 6, 1986

Board of Trustees
Crookston Fire Department Relief Association
Crookston, Minnesota

Submitted in this report are the results of the December 31, 1985 actuarial valuation of the assets, actuarial values and contribution requirements associated with the benefits provided by the Crookston Fire Department Relief Association.

The valuation results contained in Section A provide the actuarial information needed to determine the employer's "minimum obligation" effective January 1, 1987. Section A also contains comments regarding the valuation results.

The valuation was based upon information furnished by the association concerning benefits, financial transactions, active members, terminated members, retirants and beneficiaries. Data was checked for year to year consistency but was not otherwise audited by us. This information is summarized in Section B.

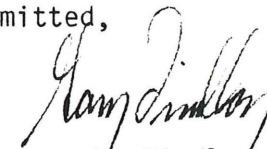
A description of the actuarial funding method and the risk experience assumptions used is contained in Section C. The economic risk experience assumptions, as well as the actuarial funding method to be used, are established by state law.

Information needed to comply with Statement of Financial Accounting Standards No. 35 is contained in Section D.

The actuarial valuation was prepared using generally accepted actuarial principles and practices based upon the methods, assumptions, summary of plan provisions and the member and financial data described in this report.

Respectfully submitted,


Ronald J. W. Smith


Gary W. Findlay

SECTION A
RESULTS OF THE VALUATION

COMMENTS

Economic Assumptions and Financing Method

The economic assumptions of 5% annual investment return and 3-1/2% annual salary increases are established by state law. State law also specifies that the annual minimum obligation of the municipality shall be determined by adding (i) the employer normal cost percent times covered payroll to (ii) the level dollar amount required to amortize the unfunded actuarial accrued liability by December 31, 2010.

It is worth noting that when the same assumptions and methods are applied to plans which differ in nature, the valuation results may not be comparable (for example, it is currently not valid to compare valuation results for a plan having full escalation to valuation results for a plan having a 3-1/2% cap on escalation). Caution should be exercised when attempting to assess the financial condition of one Association relative to another on the basis of valuation results produced using the assumptions and methods mandated by state law.

Status of Plan

The City Council of Crookston, Minnesota passed a resolution to retain the Crookston Fire Department Relief Association as an open plan. An open plan continues to admit new-hires to its membership. However, as a result of the fact that the amendment was not actually adopted, the normal cost rate decreased 7.23% of payroll, the amortization payment decreased \$14,604 and the unfunded accrued liability decreased \$206,521.

Change in plan provisions due to plan amendment not being adopted

It was our understanding that the plan had been amended to include post-retirement adjustments ("escalator") to a maximum of 3.5% of the annual increase in the active firemen's salaries and has been reflected in our report since 1983.

Crookston Fire Department Relief Association

CONTRIBUTION RATE TO PROVIDE BENEFITS

Member portion & Employer portion

Effective January 1, 1987

<u>Contributions for</u>	<u>If Paid Equally Throughout Year</u>		
	<u>Normal Cost</u> <u>% of Active</u> <u>Payroll for 1987</u>	<u>+</u>	<u>UAAL Dollars</u>
Normal cost of annuities:			
Age & service: to members	12.23%		
Age & service: to survivors	1.77		
Disability	2.80		
Death before retirement	1.95		
Refunds of member contributions	0.18		
Total Normal Cost	18.93		
Amortization of unfunded actuarial accrued liabilities (UAAL) (24 year level dollar payment)			
Retired lives			\$ 0
Active members			12,207
Total			\$12,207
Total Cost of Benefits	18.93%	+	\$12,207
Member contributions	8.00		
COMPUTED EMPLOYER RATE:			
(a) If Paid Equally Throughout Year	10.93%	+	\$12,207
(b) IF PAID AT CALENDAR YEAR END	11.20%	+	\$12,508

Crookston Fire Department Relief Association
Present Actuarial Condition

The Association's accrued actuarial assets were in excess of \$601 thousand on December 31, 1985 -- a considerable sum of money if unencumbered and allocated among a small group of persons. This is not the case with the Association's assets.

The following schedule puts the \$601 thousand into perspective by showing the relationship between accrued actuarial assets, actuarial accrued liabilities, and the number of persons with actual and potential claims on the Association's assets.

	<u>Accrued Actuarial Assets</u>	<u>Actuarial Accrued Liabilities</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>% Funded</u>
Retirants and Beneficiaries				
Retired Members (12)		\$339,084		
Surviving Spouses (3)		89,292		
Surviving Children (0)		<u>0</u>		
Total (15)	\$428,376	\$428,376	\$ 0	100.0%
Deferred Members (0)	0	0	0	
Active Members (35)	<u>173,295</u>	<u>345,905</u>	<u>172,610</u>	50.1
Total	\$601,671	\$774,281	\$172,610	77.7%

Actuarial accrued liabilities represent the value, computed as of December 31, 1985 of:

- (i) retirement allowances likely to be paid the 15 retirants and beneficiaries; and
- (ii) the contributions assumed to have been made for the 35 active members from their entry into the plan until December 31, 1985.

To illustrate, the value of retirement allowances likely to be paid the 15 retirants and beneficiaries, discounted for investment earnings and mortality, was computed to be \$428,376 as of December 31, 1985. This means that if the 15 retirants and beneficiaries live and die according to the assumed mortality and if the \$428,376 can be invested to yield an average annual return of 5.0 percent over the remaining lifetimes of the 15 retirants and beneficiaries, then the \$428,376 together with investment earnings thereon will just be sufficient to pay the 15 retirants and beneficiaries their allowances for their remaining lifetimes.

With respect to active members, the actuarial accrued liability of \$345,905 represents the amount that would have been accumulated by December 31, 1985 if the normal cost (which is expressed as a level percentage of pay) had been contributed from the date of hire until December 31, 1985 for each of the 35 actives, if these amounts had earned 5.0% interest and if the members in the past had lived, died, withdrawn, retired and received salary increases according to the actuarial assumptions shown in this report.

Historical Funding Ratio Schedule (\$ in thousands)

<u>Valuation Date December 31</u>	<u>Actuarial Accrued Liabilities</u>	<u>Accrued Actuarial Assets</u>	<u>Percent Funded</u>
1978	\$322	\$313	97.2%
1979	N/A	N/A	N/A
1980	416	363	87.3
1981	450	403	89.6
1982	475	474	99.9
1983*	879	512	58.2
1983*#	953	512	53.7
1984	958	557	58.1
1985	774	602	77.7

* After plan amendments.

After change in assumptions.

Crookston Fire Department Relief Association
 Computed Contributions - Comparative Schedule

Year Ended December 31		Total Normal Cost as a Percent of Valuation Payroll*	Contribution For Unfunded Actuarial Accrued Liabilities - \$ or %
<u>Valuation</u>	<u>Fiscal</u>		
1978	1980	20.41%	\$ 435
1979	1981	N/A	N/A
1980	1982	18.32	3,390
1981	1983	N/A	N/A
1982	1984	18.33	32
1983	1985#	24.70	24,934
1983	1985#**	26.75	29,912
1984	1986	26.14	27,791
1985	1987	18.93	12,207

* Includes employee contributions.

After plan amendments.

** After change in assumptions.

Crookston Fire Department Relief Association
CONTRIBUTION FOR CALENDAR YEAR EFFECTIVE JANUARY 1, 1987

For any period of time the percent-of-payroll contribution rate is converted to dollars. The amount of dollars for any calendar year depends upon the results of the last actuarial valuation, and upon the timing of contributions within the year. The later the contribution date, the greater the dollar amount will be.

The municipality's dollar contribution for the year may be determined as follows:

(1) Estimated covered payroll for 1987	\$ _____	
(2) Total normal cost % from page A-2	18.93%	
(3) Total normal cost (Line 1 times line 2)		\$ _____
(4) Amortization payment on UAAL from page A-2		12,207
(5) Total contributions required (Line 3 plus line 4)		_____
(6) Employee contributions (Line 1 times 8%)	\$ _____	
(7) State amortization aid	_____ 0*	
(8) Estimated insurance premium aid	_____	
(9) Estimated total contributions from other sources (Line 6 plus line 7 plus line 8)		_____
(10) Employer's Minimum Obligation if payment is made in equal installments throughout the year. (Line 5 minus line 9)		\$ _____
(11) EMPLOYER'S MINIMUM OBLIGATION IF PAYMENT IS MADE AT YEAR END (Line 10 times 1.0247)		\$ _____

* See comment on page A-1 "Status of Plan".

SECTION B
VALUATION DATA
AND
SUMMARY OF BENEFIT PROVISIONS

Crookston Fire Department Relief Association
Full-Time Firemen
Retirants and Beneficiaries December 31, 1985
By Type of Annuity Being Paid

<u>Type of Annuity Being Paid</u>	<u>No.</u>	<u>Monthly Amounts</u>	<u>Computed Actuarial Accrued Liabilities</u>
Retirants receiving:			
Age & Service	3	\$2,335.38	\$276,216
Disability	<u>0</u>	<u>0</u>	<u>0</u>
Totals	3	2,335.38	276,216
Beneficiaries receiving:			
Spouse	3	900.00	89,292
Child	<u>0</u>	<u>0</u>	<u>0</u>
Totals	3	900.00	89,292
Totals	<u>6</u>	<u>\$3,235.38</u>	<u>\$365,508</u>

Inactive Members Eligible for Deferred Benefits
December 31, 1985

<u>No.</u>	<u>Monthly Amount</u>	<u>Computed Actuarial Accrued Liabilities</u>
0	\$0	\$0

Crookston Fire Department Relief Association

Volunteers

Retirants and Beneficiaries December 31, 1985

By Type of Annuity Being Paid

<u>Type of Annuity Being Paid</u>	<u>No.</u>	<u>Monthly Amounts</u>	<u>Computed Accrued Liabilities</u>
Retirants receiving:			
Age & Service	9	\$600.00	\$62,868
Disability	—	—	—
Totals	9	600.00	64,868
Beneficiaries receiving:			
Spouse	0	0.00	0
Child	0	0.00	0
Totals	0	0.00	0
Totals	9	\$600.00	\$62,868

Inactive Members Eligible for Deferred Benefits

December 31, 1985

<u>No.</u>	<u>Monthly Amount</u>	<u>Computed Accrued Liabilities</u>
0	\$0	\$0

Crookston Fire Department Relief Association
Retirants and Beneficiaries December 31, 1985
By Attained Ages

<u>Attained Ages</u>	<u>Number</u>		
	<u>Age & Service</u>	<u>Disability</u>	<u>Death Before Retirement</u>
60-64	4		
65-69	4		
70-74	5		
75-79	1		
80-84	<u>1</u>	<u>—</u>	<u>—</u>
Total	15	0	0

Crookston Fire Department Relief Association
Retirants and Beneficiaries Added to and Removed from Rolls
Comparative Statement

Valuation Date December 31	No. Added to Rolls	No. Removed from Rolls	Rolls End of Year		% Incr. in Annual Allowances	Average Allowances	Discounted Value of Allowances	
			No.	Annual Allowances			Total	Average
1978			16	\$11,466	- %	\$ 717	\$104,892	\$ 6,556
1979	2	1	17	25,128	119.2	1,478	246,398	14,494
1980			17	25,128	0.0	1,478	238,943	14,055
1981	1	1	17	24,888	(1.0)	1,464	229,541	13,502
1982	1	1	17	24,948	0.2	1,468	223,791	13,164
1983	2	4	15	46,025*	84.5	3,068	589,907*	39,327
1984			15	47,005	2.1	3,134	544,560	36,304
1985			15	46,025	(2.1)	3,068	428,376	28,558

* Includes benefit increases.

Crookston Fire Department Relief Association

Full-Time Firemen

Active Members December 31, 1985

By Attained Age and Years of Service

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
30-34		2						2	\$ 44,888
35-39		2						2	45,999
40-44			2					2	46,810
45-49		1	1					2	49,534
Totals		5	3					8	\$187,231

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 40.0 years.

Service: 8.9 years.

Annual Pay: \$23,404.

Crookston Fire Department Relief Association

Volunteer Firemen

Active Members December 31, 1985

By Attained Age and Years of Service

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	
25-29	3	2	1					6
30-34	6	2	1					9
35-39	1	1						2
40-44			2	3				5
45-49				2				2
50-54				1				1
55-59				2				2
Totals	10	5	4	8				27

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 37.1 years.

Service: 9.2 years.

Crookston Fire Department Relief Association

Comparative Schedule

Of Active Members

Full-Time Firemen

Valuation Date December 31	Active Members	Valuation Payroll	Average			
			Age	Service	Pay	% Incr.
1978	8	\$105,984	45.1 yrs.	9.0 yrs.	\$13,248	- %
1979	8	118,194	38.3	4.5	14,774	11.5
1980	8	145,186	39.3	5.5	18,148	22.8
1981	8	159,438	40.3	6.5	19,930	9.8
1982	8	159,492	41.3	7.5	19,937	-
1983	8	177,258	38.0	6.9	22,157	11.1
1984	8	183,638	39.0	7.9	22,955	3.6
1985	8	187,231	40.0	8.9	23,404	2.0

Volunteers

1978	26	\$ N/A	35.3 yrs.	6.5 yrs.	\$ N/A	- %
1979	24	N/A	36.4	7.3	N/A	N/A
1980	25	N/A	36.4	7.8	N/A	N/A
1981	24	N/A	35.6	8.0	N/A	N/A
1982	27	N/A	34.3	7.3	N/A	N/A
1983	27	N/A	35.2	8.1	N/A	N/A
1984	27	N/A	36.3	8.7	N/A	N/A
1985	27	N/A	37.1	9.2	N/A	N/A

Crookston Fire Department Relief Association
Brief Summary (12/31/85) of Benefit Provisions Evaluated and/or Considered

Full-Time

Age & Service Retirement

Eligibility. 20 years of service and 60 years of age.

Amount. 50% of final salary. In addition, 1.5% of final salary is paid for each year of service after age 60.

Disability Retirement

Eligibility. Disabled as a result of duty to the extent that unable to perform duties of firefighter prior to eligibility for age & service retirement.

Amount. 50% of final salary offset by the amount of worker's compensation being received.

Member's Death While Active, Or In Deferred Status, Or Retired.

Eligibility.

Spouse. Legally married to member prior to separation from service and residing with member at time of death. Benefits terminate upon remarriage.

Child. Younger than age 18.

Survivor benefits are offset by the amount of worker's compensation being received.

Amount.

Spouse. The greater of \$3,600 per year or 50% of earned retirement benefit at date of death.

Child. \$180 per child per year subject to a maximum of \$1,260 per year if spouse is living or \$1,080 per year if spouse is deceased.

Death Benefit. \$1,000 lump sum payment for duty related death or a \$500 lump sum payment for non-duty related death.

Vested Deferred. 20 years of service and separated before age 60. Payment beginning is deferred to attainment of age 60.

Member Contributions. 8% of salary. Total member contributions are refundable, without interest, if no monthly benefit is payable upon separation from service.

Volunteers

Age & Service Retirement

Eligibility. 20 years of service and 60 years of age.

Amount. For first 20 years of service \$600 per year. For each year in excess of 20 an additional \$60 per year is added up to a maximum of \$1,800 per year.

Disability Retirement

Eligibility. Same as full time.

Amount. (1) Total Disability. \$25 per week for 12 weeks and \$15 per month thereafter.

(2) Partial Disability. \$15 per week for 12 weeks.

Disability benefits are offset by the amount of worker's compensation being received.

Death Benefits

(1) Duty Related. Lump sum payment of \$1,000.

(2) Non-Duty Related. Lump sum payment of \$100 plus \$100 for each year of service over 20 years up to a maximum of \$600.

Vested Deferred. 20 years of service and separated before age 55. Payment beginning is deferred to attainment of age 55.

Member Contributions. None.

SECTION C

VALUATION METHODS AND ASSUMPTIONS

Crookston Fire Department Relief Association

Valuation Methods and Assumptions

The Entry Age Normal Cost method was used to determine the normal cost of all benefits.

The rate of investment return (interest) used in making the valuation was 5.0 percent per annum, compounded annually. State law requires use of this assumption.

The mortality table used was the UP-1984 Table set forward 2 years for males and set back 3 years for females.

Sample Ages	Single Life Values: Present Value of \$1 Monthly				Future Life Expectancy (Years)	
	Level		Increasing			
	For Life		3.5% Yearly		Men	Women
	Men	Women	Men	Women		
45	\$177.21	\$189.58	\$280.82	\$314.75	29.50	34.00
50	163.12	177.21	246.55	280.82	25.20	29.50
55	147.50	163.12	212.60	246.55	21.16	25.20
60	130.52	147.50	179.49	212.60	17.42	21.16
65	112.87	130.52	148.28	179.49	14.05	17.42
70	95.20	112.87	119.70	148.28	11.09	14.05
75	77.77	95.20	93.83	119.70	8.52	11.09
80	61.71	77.77	81.69	93.83	6.39	8.52

Age & service retirement was assumed to occur at age 62, or attained age if older.

Sample Rates of Separation From Active Employment Before Retirement, Death or Disability.

Sample Ages	% of Active Members Separating within Next Year
20	1.50%
25	1.25
30	1.00
35	0.75
40	0.50
45	0.25
50+	0.00

Pay Adjustment Factor Used To Project Current Pays

<u>Sample Ages</u>	<u>Present Pay Resulting in Pay of \$1,000 at Age 60</u>	<u>Percent Increase in Pay During Next Year</u>
20	\$ 253	3.5%
25	300	3.5
30	356	3.5
35	423	3.5
40	503	3.5
45	597	3.5
50	709	3.5
55	842	3.5
60	1,000	3.5

Use of the pay adjustment factor illustrated above is required by state law.

Disability retirements were assumed to occur as indicated below:

<u>Sample Ages</u>	<u>% of Active Members Becoming Disabled within Next Year</u>
20	0.08%
25	0.08
30	0.08
35	0.08
40	0.20
45	0.26
50	0.49
55	0.89

SECTION D

ACCUMULATED PLAN BENEFITS

Crookston Fire Department Relief Association

Statement of the Present Value of Accumulated Plan Benefits

December 31, 1985

Actuarial Present Value of
Accumulated Plan Benefits

Vested Benefits:

Participants currently receiving payments	\$353,976
Other participants	<u>1,586</u>
Total Vested Benefits	<u>355,562</u>

Non-Vested Benefits	148,097
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Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$503,659</u></u>
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The actuarial present value of accumulated plan benefits as of January 1, 1985, was \$748,634. During the year, the plan experienced a net decrease of \$244,975 in the actuarial present value of accumulated plan benefits. Of this decrease, \$243,841 was due to a change in plan provisions since the plan amendment was not adopted and \$1,134 was due to general plan experience.

The accompanying notes are an integral part of the Statement of the Present Value of Accumulated Plan Benefits.

1. The actuarial present value of accumulated plan benefits presented in this statement was determined using the following assumptions:
 - a. Future salary increases prior to retirement were not considered for active members.
 - b. Future service was considered only to the extent that it would permit active plan participants to become eligible for benefits attributable to service rendered prior to the date of determination.
 - c. Regular valuation assumptions were used as to mortality, withdrawal, retirement ages and disability.
 - d. Investment return was assumed to be at the rate of 8% compounded annually.
 - e. Salary increase related post retirement benefit adjustments were assumed to be at the rate of 6-1/2% compounded annually unless a lower rate is specified by law.
2. The calculation of the actuarial present value of accumulated plan benefits was made because of the requirements of the Financial Accounting Standards Board. Comparison of this value with plan assets is not indicative of the future ability of the plan to pay benefits when due or of their security in a termination situation.

Calculation of contribution requirements and related benefit value information in a "going concern" environment according to the principles of level cost financing is made by the annual actuarial valuations. The results of the contribution rate calculations cannot be simply replaced by the accumulated plan benefit results. To do so will mislead.

APPENDICES

APPENDIX I

FINANCIAL PRINCIPLES AND OPERATIONAL TECHNIQUES

Promises Made, and Eventually Paid. As each year is completed, the plan in effect hands an "IOU" to each member then acquiring a year of service credit -- the "IOU" says: "The Pension Plan owes you a portion of your retirement benefits, payments to be made in cash, commencing when you qualify for retirement."

The related key financial questions are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member's present year of service?

Or the future taxpayers, who happen to be in town paying taxes at the later time when the IOU becomes a cash demand?

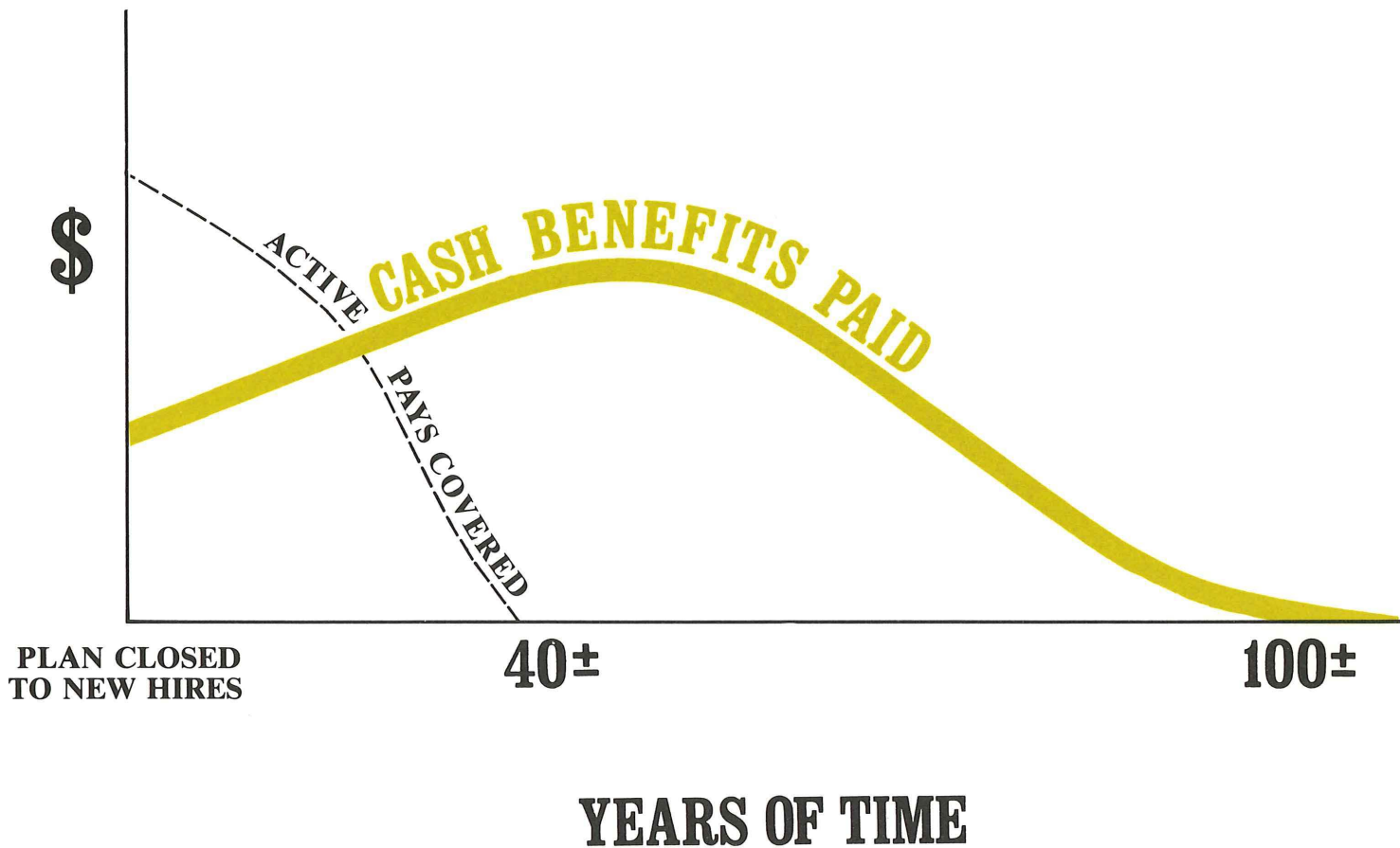
A sound principle of sound retirement plan financing is to have this year's taxpayers contribute the money to cover the IOUs being handed out this year. By following this principle, THE CONTRIBUTION RATE WILL REMAIN APPROXIMATELY LEVEL FROM GENERATION TO GENERATION -- our children and grandchildren will contribute the same percents of active payroll we contribute now.

Computing Contributions To Support Plan Benefits. From a given schedule of benefits and from the employee data and asset data furnished him, the actuary determines the contribution rates to support the benefits by means of an actuarial valuation and a funding method.

In making an actuarial valuation, assumptions must be made regarding anticipated financial experiences for the next year and for decades in the future. Only the subsequent actual experience of the plan can indicate the degree of accuracy of the assumptions. Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and been observed, it will not coincide exactly with assumed experience, regardless of the wisdom of the assumptions or the skill of the actuary and the millions of calculations he made. The future can be predicted with considerable but not 100% precision, except for inflation which seems to defy reliable prediction.

A well-managed plan copes with these continually changing differences by having periodic actuarial valuations. Each actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is continuing adjustment in financial position.

A CLOSED PENSION PLAN



A plan becomes closed when no new hires are admitted to active membership. The persons covered by the plan at the time of closing continue their normal activities and continue to be covered by the plan, until the last survivor dies.

CASH BENEFITS LINE. After a pension plan becomes closed, the usual pattern is for cash benefits to continue to increase for decades of time. Eventually the cash benefits will peak, and then gradually decrease over more decades of time, ultimately to zero. The last cash benefit is likely to occur a century after the time the plan is closed.

The precise amounts of cash benefits cannot be known now, and must be estimated by assumptions of future experiences in a variety of financial risk areas.

APPENDIX II
MEANING OF UNFUNDED ACCRUED LIABILITIES

Almost every pension plan (public or private) has "unfunded accrued liabilities", so whatever they are, they aren't rare. Since the term is not part of everyday conversation, it needs some definition.

"Accrued liabilities" are the present value \$ of plan promises to pay benefits in the future based upon service already rendered - - - a liability has been established ("accrued") because the service has been rendered, but the resulting monthly cash benefit may not be payable until years in the future. Accrued liabilities \$ are the result of complex mathematical calculations, which are made by the plan's actuary (which is the name given to the specialist who makes such calculations).

If "accrued liabilities" at any time exceed the plan's accrued assets (cash & investments), the difference is "unfunded accrued liabilities". This is the common condition. If the plan's assets equalled the plan's "accrued liabilities", the plan would be termed "fully funded". This is a rare condition.

Each time a plan adds a new benefit which applies to service already rendered, an "accrued liability" is created, which is also an "unfunded accrued liability" because the plan can't print instant cash to cover the accrued liability. Payment for such unfunded accrued liabilities is spread over a period of years, commonly in the 20-40 year range.

Unfunded accrued liabilities can occur in another way: If actual financial experience is less favorable than assumed financial experience, the difference is added to unfunded accrued liabilities. In plans where plan benefits are directly related to an employee's pay near time of retirement (a common plan provision) rather than his average pay throughout his working career, unfunded accrued liabilities have been increasing in recent years because unexpected rates of pay increase have created additional accrued liabilities which could not be matched by reasonable investment results. Some of these unexpected pay increases are the direct result of inflation, which is a very destructive force on financial stability.

The existence of unfunded accrued liabilities is not bad, then (any more than a mortgage on your house is "bad"), but the changes from year to year in amount of unfunded accrued liabilities are important - - - "bad" or "good" or somewhere in between.

Nor are unfunded accrued liabilities a bill payable immediately (your food costs are payable immediately), but it is important that policy-makers prevent the amount from becoming unreasonably high and it is vital that your plan have a sound method for making payments toward them so that they are controlled.

The existence of large amounts of unfunded accrued liabilities indicates that total contributions in past years were less than level - - - an almost certain history if retired life liabilities are not fully funded now.