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**LUVERNE  
FIRE DEPARTMENT RELIEF ASSOCIATION**

ANNUAL ACTUARIAL VALUATION  
DECEMBER 31, 1998



GABRIEL, ROEDER, SMITH & COMPANY

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**GABRIEL, ROEDER, SMITH & COMPANY**

**Consultants & Actuaries**

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 248-799-9000 • 800-521-0498 • fax 248-799-9020

September 1, 1999

Board of Trustees  
Luverne Fire Department Relief Association  
Luverne, Minnesota

Submitted in this report are the results of the December 31, 1998 actuarial valuation of the assets and actuarial values associated with the benefits provided by the Luverne Fire Relief Association.

The valuation results contained in Section A provide the actuarial information needed to determine the Municipal Contribution effective January 1, 1999. 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 and retired members. This information is summarized in Section B.

A description of the actuarial assumptions used is contained in Section C.

Respectfully submitted,

Handwritten signature of Norman S. Losk in black ink.

Norman S. Losk

Handwritten signature of Mary Ann Vitale in black ink.

Mary Ann Vitale

MAV:cg

SECTION A



VALUATION RESULTS

## PRESENT ACTUARIAL CONDITION

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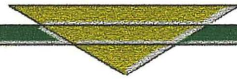
	<u>December 31, 1998</u>	<u>December 31, 1999</u>
Total Active Accrued Liabilities	\$533,750	\$578,825
Deferred Liabilities	14,212	14,212
Total Retired Member Liabilities	<u>52,384</u>	<u>52,384</u>
Total Accrued Liabilities	\$600,346	\$645,421

## ASSET INFORMATION

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	<u>December 31, 1997</u>	<u>December 31, 1998</u>
Cash	\$ 5,230	\$ 27,109
Investments	419,508	444,103
Receivables	<u>5,065</u>	<u>1,494</u>
Total	\$429,803	\$472,706

## SECTION B



## VALUATION DATA AND SUMMARY OF BENEFIT PROVISIONS

**RETIRED MEMBERS  
DECEMBER 31, 1998**

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	<b>No.</b>	<b>Annual Benefits</b>	<b>Computed Actuarial Accrued Liabilities</b>
Retired Members	9	\$6,492.00	\$52,384



**RETIRED MEMBERS DECEMBER 31, 1998**  
**BY ATTAINED AGES**

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<b>Attained Ages</b>	<b>Number</b>
65-69	6
70-74	3
<b>Totals</b>	<b>9</b>

**BRIEF SUMMARY (12/31/98) OF BENEFIT PROVISIONS  
EVALUATED AND/OR CONSIDERED**

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**AGE & SERVICE RETIREMENT**

*Eligibility.* 20 years of service and 50 years of age.

*Amount.* \$1,250 per year of service payable as a lump sum.

**DEATH BENEFIT**

If less than 10 years of service, a lump sum payment of \$750 will be paid.

**VESTED DEFERRED**

*Eligibility.* 10 years of service. Payment beginning is deferred to attainment of age 50.

*Amount.* If completed 10 years of service, the benefit will be the pension payment times full years of service less 4% for each year less than 20.

**MEMBER CONTRIBUTIONS.** None.

## SECTION C



## VALUATION METHODS AND ASSUMPTIONS

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The rate of investment return (interest) as required by state law used in making the valuation for retired members was 5.0 percent per annum, compounded annually.

**Retired Member Mortality Table\***

<b>Sample Ages</b>	<b>Single Life Values: Present Value of \$1 Monthly Level for Life Men</b>
45	\$177.21
50	163.12
55	147.50
60	130.52
65	112.87
70	95.20
75	77.77
80	61.71

\* *UP-1984 Table set forward 2 years for males and set back 3 years for females.*

The Active and Deferred Actuarial Accrued Liabilities were determined using Minnesota Statute 69.772.