



*RETIREMENT PLAN FOR EMPLOYEES
OF THE TOWN OF STRATFORD*

ACTUARIAL VALUATION

*AS OF JULY 1, 2012
FOR FISCAL YEAR 2013-14*



80 Lamberton Road
Windsor, CT 06095
USA

Main +1 860 687 2110
Fax +1 860 687 2111

milliman.com

June 7, 2013

PERSONAL & CONFIDENTIAL

Pension Board
Town of Stratford

Re: Retirement Plan for Employees of the Town of Stratford

Dear Members of the Board:

We are pleased to present this July 1, 2012 actuarial valuation for the Retirement Plan for Employees of the Town of Stratford. This valuation forms the basis of contributions for the fiscal year 2013-14.

Section I contains an Executive Summary in which we present the principal results of this valuation. Details regarding plan liabilities and costs are found in Sections II. Section III shows the plan assets. Section IV contains information to be included in the Town's financial statements per GASB Statement No. 25. Sections V, VI, and VII contain information regarding plan membership, a description of the actuarial method and assumptions employed in this valuation, and an outline of the benefit provisions.

The Annual Required Contribution for fiscal year 2013-14 is \$12,720,477..

Respectfully submitted,

MILLIMAN, INC.

A handwritten signature in blue ink that reads 'Becky'.

Rebecca A. Sielman, FSA
Consulting Actuary

A handwritten signature in blue ink that reads 'Steph'.

Stephen Chykirda, ASA
Actuary

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

A. Purpose of the Valuation

In accordance with the applicable provisions of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, we have performed an actuarial valuation of the Plan as of July 1, 2012 for the fiscal year beginning on July 1, 2013. This report presents the results of our valuation.

Purpose

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the Plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Documentation of the current status of plan investments.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the Plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, we request that it be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs. The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

Reliance

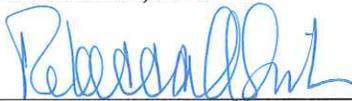
In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town of Stratford and Wells Fargo. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices based on the actuarial methods and assumptions adopted by the Pension Board. We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MILLIMAN, INC.



Rebecca A. Sielman, FSA
Consulting Actuary



Stephen Chykirda, ASA
Actuary

June 7, 2013

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Membership

The Town provides us with information concerning the Plan's population as of each July 1. Some of the characteristics of the participant group are summarized below:

	<i>July 1, 2011</i>	<i>July 1, 2012</i>
<i>Active Members</i>		
Number	330	311
Average Age	46.2	46.8
Average Service	15.3	15.9
Total Payroll	\$23,551,913	\$22,770,569
Average Payroll	\$71,370	\$73,220
<i>Suspended Members*</i>	17	16
<i>Retired and Disabled Members and Beneficiaries of Deceased Members</i>		
Number	613	613
Average Annual Benefits	\$30,049	\$30,853
Average Age	68.9	69.1
<i>Terminated Vested and Inactive Members</i>		
Number	19	21
Average Annual Benefits	\$17,120	\$21,130
Average Age	48.0	49.2
<i>Total Size of Membership</i>	979	961

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

The active population decreased from 330 members on July 1, 2011 to 311 members on July 1, 2012. The number of members in pay status remained the same at 613. The total payroll decreased from \$23,551,913 to \$22,770,569.

Pay increases for Town and Board of Education employees were well below our assumed 4% assumption, leading to significant gains. However, these gains were offset by losses from retro pay increases for Fire and increased overtime for Police and Public Works members.

More information on the plan membership can be found in Section V.

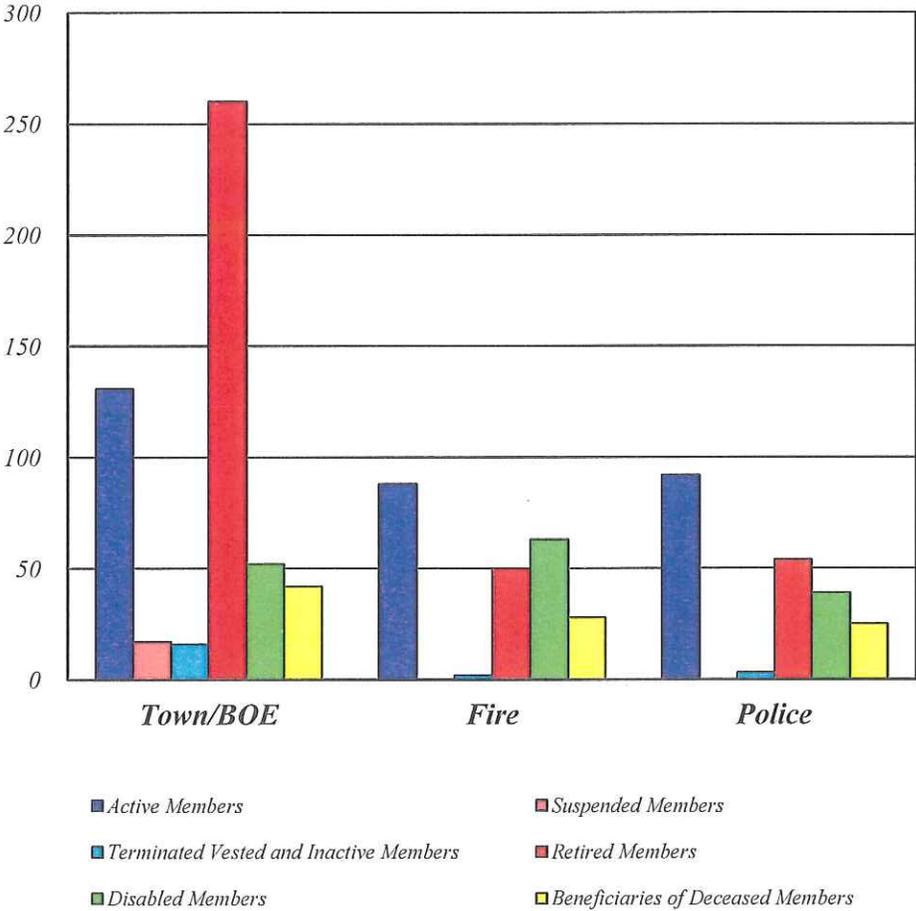
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Membership

Number of Plan Members



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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Assets

The Market Value of Assets as of July 1, 2012 was \$87,183,973, compared to \$96,656,279 as of July 1, 2011.

<i>Market Value, July 1, 2011</i>	\$96,656,279
Town Contributions	8,493,774
Employee Contributions	1,831,875
Investment Earnings, net of Investment Expenses	(924,968)
Benefit Payments, Employee Refunds, and Administrative Expenses	(18,872,987)
<i>Market Value, July 1, 2012</i>	87,183,973

The estimated return, net of investment fees, for 2011-2012 was -1.0%. The estimated return was developed assuming cash flow occurs on average midway through the year. Yearly fluctuations in the earnings rate are to be expected.

For valuation purposes we calculate an Actuarial Value of Assets that smoothes out market fluctuations over a five year period. The Actuarial Value of Assets as of July 1, 2012 was \$108,730,191. On this basis, the estimated return was 2.85%, reflecting the delayed recognition of market losses in earlier years. Since this result is less than the Board's 7.75% investment return assumption for this period, the result is an actuarial loss of approximately \$5.4 million.

Please note that the Actuarial Value currently exceeds the Market Value by \$21.5 million. This figure represents investment losses that will be gradually recognized over the next five years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

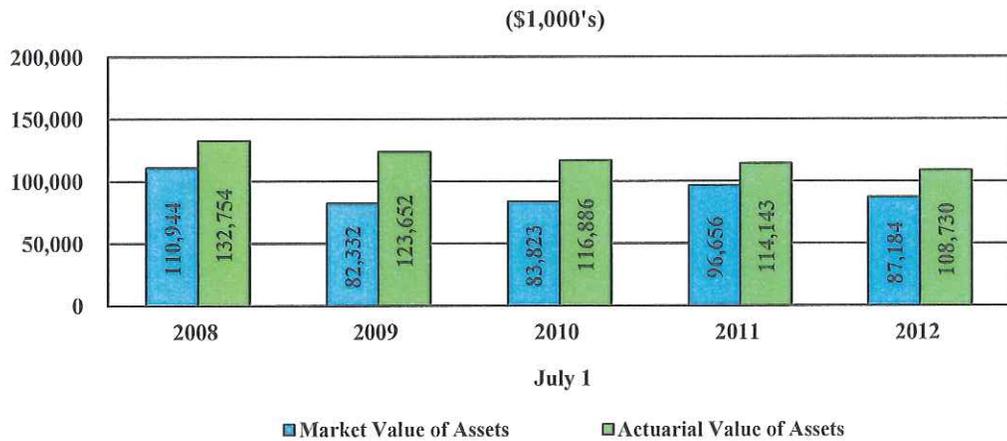
More information on the plan assets can be found in Section III.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

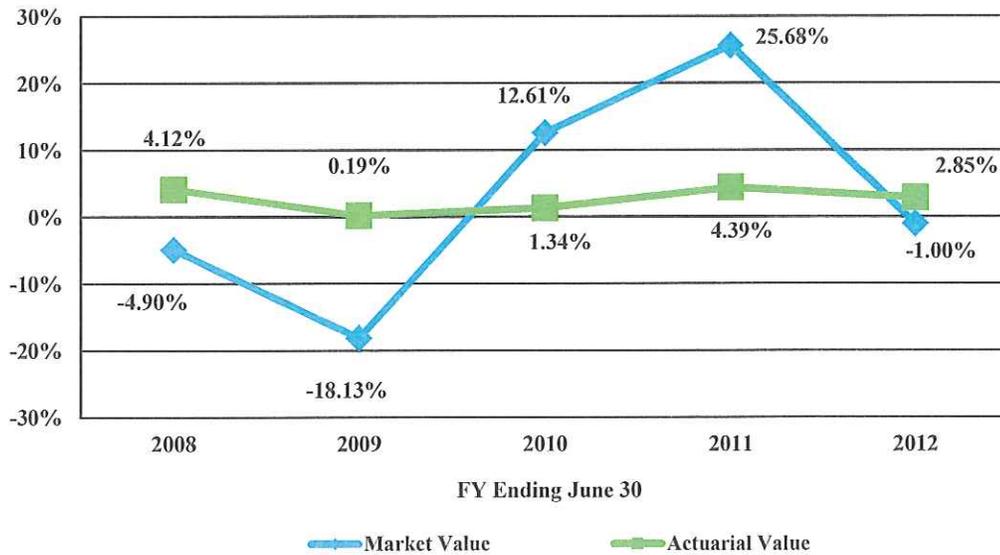
**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Asset Levels



Rates of Return



**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

- Plan Changes** Effective July 1, 2012 no new Fire employees will be covered by this plan. This change has had no impact on the valuation.
- Method Changes** There have been no plan changes since the last valuation.
- Assumption Changes** In order to better anticipate future plan experience, the interest rate was lowered from 7.75% to 6.75%. The impact of this change was to increase the Unfunded Actuarial Liability by \$28.0 million, and increase the Annual Required Contribution by \$1.5 million.
- Other Changes** The Town Council recently approved the issuance of Pension Obligation Bonds to improve the funded status of the plan. This will be reflected in our July 1, 2013 valuation and has no impact on this valuation.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

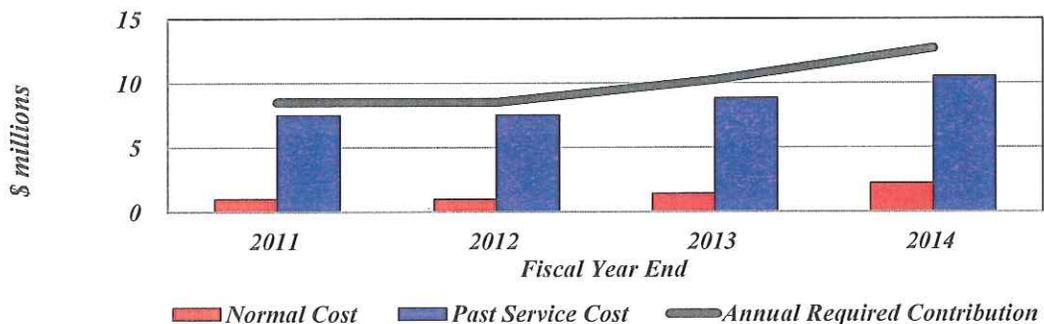
Contribution Summary

Valuation Date	<i>July 1, 2011</i>	<i>July 1, 2012</i>
Fiscal Year	<i>2012-2013</i>	<i>2013-2014</i>
1. Normal Cost	\$1,302,247	\$2,046,373
2. Administrative Expenses	115,000	163,000
3. Past Service Cost	8,847,429	10,511,104
4. Annual Required Contribution: (1) + (2) + (3)	10,264,676	12,720,477
5. Total Covered Payroll	23,551,913	22,770,569
6. Contribution as a percent of payroll: (4) / (5)	43.6%	55.9%

The Annual Required Contribution for FY 2013-2014 is broken down by employee groups as follows:

Board of Education	\$2,094,724
Town	2,708,978
Fire	4,056,919
Police	<u>3,859,856</u>
Total	12,720,477

The Annual Required Contribution level for the past several fiscal years is shown below.



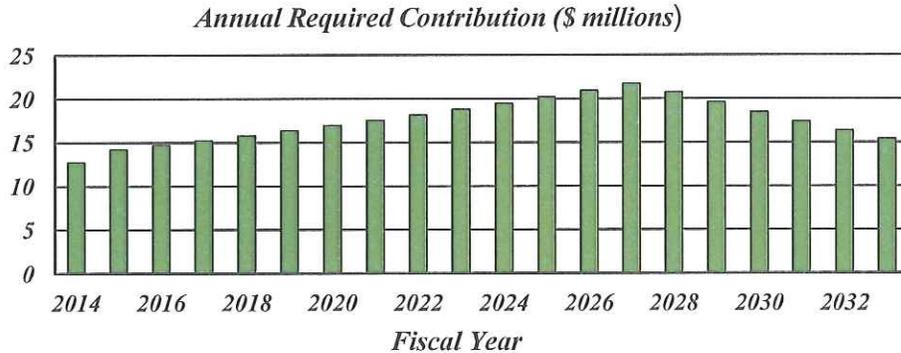
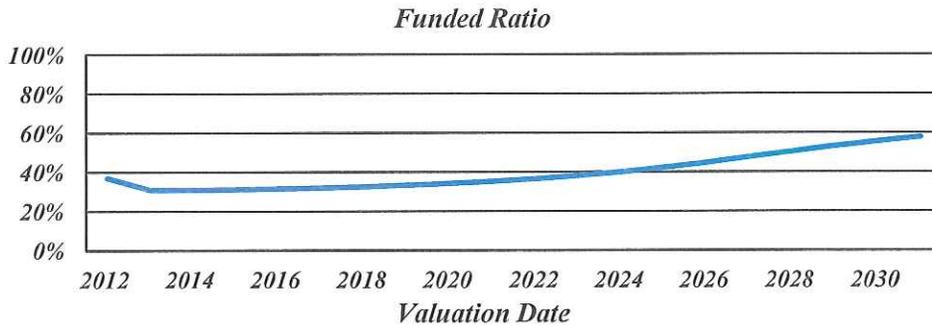
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Long Range Forecast

Please note that this forecast does not reflect the Pension Obligation Bond recently approved by the Town Council. However, it does reflect the decision to reset the Actuarial Value of Assets to equal the Market Value of Assets on July 1, 2013, with five year smoothing of market gains or losses thereafter. This reset causes a temporary dip in the funded ratio.



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section II C for more details of the long range forecast.

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

C. Summary of Principal Results

	<i>July 1, 2011</i>	<i>July 1, 2012</i>
<i>Membership</i>		
Active Membership		
Number of Members	330	311
Covered Payroll	\$23,551,913	\$22,770,569
Inactive Membership		
Suspended Employees*	17	16
Former Employees Due Benefits	19	21
Members in Pay Status	613	613
Average Annual Benefit in pay status	\$30,049	\$30,853
<i>Assets and Liabilities</i>		
Assets		
Market Value	\$96,656,279	\$87,183,973
Actuarial Value	114,143,029	108,730,191
Accrued Liability		
Active and Suspended Members	\$81,784,070	\$93,926,231
Former Employees Due Benefits	2,980,286	4,806,064
Members in Pay Status	174,955,110	194,153,392
Total Accrued Liability	259,719,466	292,885,687
Unfunded Accrued Liability	145,576,437	184,155,496
Funded Ratio	43.95%	37.12%
<i>Annual Required Contribution</i>		
	<i>FY 2012-2013</i>	<i>FY 2013-2014</i>
Contribution as a Percent of Payroll		
Normal Cost	5.5%	9.0%
Administrative Expenses	0.5%	0.7%
Past Service Cost	<u>37.6%</u>	<u>46.2%</u>
Total Town Contribution Percentage	43.6%	55.9%
Contribution Dollars		
Normal Cost	\$1,302,247	\$2,046,373
Administrative Expenses	115,000	163,000
Past Service Cost	<u>8,847,429</u>	<u>10,511,104</u>
Town Contribution	10,264,676	12,720,477

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

A. Assets and Liabilities

This section sets forth the actuarial balance sheet developed from the asset and census information provided by the Retirement Plan for Employees of the Town of Stratford. A discussion of the various items and of the actuarial method and assumptions upon which the calculations are based appears in Section VI.

For determining the past service cost, the Unfunded Accrued Liability is amortized with payments calculated to increase annually so as to remain approximately level as a percent of payroll. Effective July 1, 2010 the amortization period was lengthened to 25 years.

	As of July 1, 2011			As of July 1, 2012				
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
Actuarial Value of Assets (see Section III C)	\$49,181,112	\$34,005,339	\$30,956,578	\$114,143,029	\$46,140,808	\$31,859,067	\$30,730,316	\$108,730,191
Entry Age Normal Accrued Liability								
Active and Suspended Members	32,625,476	24,061,056	25,097,538	81,784,070	37,272,252	26,834,693	29,819,286	93,926,231
Retired Members	62,047,989	29,489,358	32,497,568	124,034,915	68,873,803	31,402,689	40,378,175	140,654,667
Disabled Members	11,648,350	20,433,139	8,940,672	41,022,161	11,732,798	21,029,822	8,994,205	41,756,825
Beneficiaries of Deceased Members	3,948,709	3,276,702	2,672,623	9,898,034	4,207,869	4,894,015	2,640,016	11,741,900
Terminated Vested and Inactive Members	1,635,496	115,023	1,229,767	2,980,286	2,202,422	1,657,307	946,335	4,806,064
Total Accrued Liability	111,906,020	77,375,278	70,438,168	259,719,466	124,289,144	85,818,526	82,778,017	292,885,687
Unfunded Accrued Liability	62,724,908	43,369,939	39,481,590	145,576,437	78,148,336	53,959,459	52,047,701	184,155,496
Funded Ratio	43.95%	43.95%	43.95%	43.95%	37.12%	37.12%	37.12%	37.12%
Amortization Period (years)	24	24	24	24	23	23	23	23
Past Service Cost	3,812,116	2,635,814	2,399,499	8,847,429	4,460,498	3,079,862	2,970,744	10,511,104

This work product was prepared solely for the Town of Stratford for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

B. Annual Required Contribution

	FY 2012-2013				FY 2013-2014			
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
1. Total Normal Cost	\$802,508	\$1,311,734	\$1,084,067	\$3,198,309	\$926,691	\$1,543,357	\$1,381,915	\$3,851,963
2. Expected Employee Contributions	645,052	696,106	554,904	1,896,062	608,807	638,384	558,399	1,805,590
3. Net Normal Cost: (1) - (2)	157,456	615,628	529,163	1,302,247	317,884	904,973	823,516	2,046,373
4. Administrative Expenses	13,905	54,365	46,730	115,000	25,320	72,084	65,596	163,000
5. Past Service Cost (see Section II A)	3,812,116	2,635,814	2,399,499	8,847,429	4,460,498	3,079,862	2,970,744	10,511,104
6. Annual Required Contribution: (3) + (4) + (5), but not less than \$0	3,983,477	3,305,807	2,975,392	10,264,676	4,803,702	4,056,919	3,859,856	12,720,477
7. Covered Payroll	7,469,470	8,688,944	7,393,499	23,551,913	7,199,936	8,091,826	7,478,807	22,770,569
8. Contribution as a percentage of payroll: (6) / (7)	53.3%	38.0%	40.2%	43.6%	66.7%	50.1%	51.6%	55.9%

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

C. Long Range Forecast

This forecast is based on the results of the July 1, 2012 actuarial valuation and assumes that the Town will pay the Annual Required Contribution each year, the assets will return 6.75% on a market value basis each year, payroll will grow by 4.0% each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Year	Values as of the Valuation Date			Funded Ratio	Fiscal Year Ending	Cash Flows Projected to the Following Fiscal Year			
	Accrued Liability	Actuarial Value of Assets	Unfunded Liability			Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
2012	\$292,885,687	\$108,730,191	\$184,155,496	37.1%	2014	\$12,720,477	\$1,805,590	\$19,164,892	(\$7,257,626)
2013	296,339,000	92,000,000	204,339,000	31.0%	2015	14,217,000	1,736,000	19,754,000	(5,465,000)
2014	299,249,000	92,560,000	206,689,000	30.9%	2016	14,738,000	1,671,000	20,193,000	(4,478,000)
2015	301,702,000	94,179,000	207,523,000	31.2%	2017	15,237,000	1,597,000	20,561,000	(4,405,000)
2016	303,769,000	95,982,000	207,787,000	31.6%	2018	15,789,000	1,517,000	20,902,000	(4,331,000)
2017	305,543,000	97,984,000	207,560,000	32.1%	2019	16,378,000	1,427,000	21,232,000	(4,204,000)
2018	307,099,000	100,252,000	206,847,000	32.6%	2020	16,957,000	1,368,000	21,572,000	(4,020,000)
2019	308,208,000	102,863,000	205,345,000	33.4%	2021	17,542,000	1,331,000	21,862,000	(3,775,000)
2020	308,991,000	105,904,000	203,087,000	34.3%	2022	18,168,000	1,291,000	22,096,000	(3,469,000)
2021	309,495,000	109,466,000	200,029,000	35.4%	2023	18,813,000	1,244,000	22,364,000	(3,164,000)
2022	309,679,000	113,584,000	196,095,000	36.7%	2024	19,505,000	1,200,000	22,599,000	(2,803,000)
2023	309,509,000	118,353,000	191,156,000	38.2%	2025	20,205,000	1,151,000	22,867,000	(2,436,000)
2024	308,889,000	123,823,000	185,066,000	40.1%	2026	20,945,000	1,102,000	23,086,000	(2,010,000)
2025	308,019,000	130,103,000	177,916,000	42.2%	2027	21,751,000	1,053,000	23,279,000	(1,521,000)
2026	306,752,000	137,312,000	169,439,000	44.8%	2028	20,756,000	1,013,000	23,481,000	(963,000)
2027	304,990,000	145,585,000	159,405,000	47.7%	2029	19,612,000	945,000	23,599,000	(2,151,000)
2028	302,957,000	153,189,000	149,768,000	50.6%	2030	18,463,000	881,000	23,805,000	(3,572,000)
2029	300,458,000	159,837,000	140,621,000	53.2%	2031	17,407,000	830,000	23,834,000	(4,811,000)
2030	297,709,000	165,652,000	132,056,000	55.6%	2032	16,367,000	742,000	24,111,000	(6,239,000)
2031	294,202,000	170,384,000	123,817,000	57.9%	2033	15,395,000	635,000	24,373,000	(7,655,000)

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

D. Changes in Unfunded Accrued Liability / (Surplus)

1. Unfunded Accrued Liability / (Surplus) as of July 1, 2011	\$145,576,437
2. Total Normal Cost as of July 1, 2011	3,198,309
3. Interest on (1) + (2)	11,530,043
4. Town and Employee Contributions for the 2011-12 Fiscal Year	10,325,649
5. Interest on (4) assuming mid-year payment	392,653
6. Expected Unfunded Accrued Liability / (Surplus) as of June 30, 2012: (1) + (2) + (3) - (4) - (5)	149,586,487
7. Actuarial Basis Asset (Gain)/Loss (see Section III D)	5,386,555
8. Liability (Gain)/Loss	1,200,959
9. Actual Unfunded Accrued Liability / (Surplus) as of July 1, 2012 before any changes: (6) + (7) + (8)	156,174,001
10. Change in Unfunded Accrued Liability / (Surplus) as of July 1, 2012 due to assumption changes	27,981,495
11. Change in Unfunded Accrued Liability / (Surplus) as of July 1, 2012 due to plan changes	0
12. Final Unfunded Accrued Liability / (Surplus) as of July 1, 2012 after changes: (9) + (10) + (11)	184,155,496

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

A. Summary of Fund Transactions - Market Value

<i>Value as of July 1, 2011</i>	\$96,656,279
<i>Income Items</i>	
Town Contributions	8,493,774
Employee Contributions	1,831,875
Adjustment to Beginning Year Balance	0
Dividends	913,238
Interest	151
Change in Accrued Income	7,657
Other Income	20,022
Realized Gains/(Losses)	(2,815,429)
Unrealized Gains/(Losses)	<u>1,344,188</u>
	9,795,476
<i>Deduction Items</i>	
Benefit Payments	18,691,896
Refunds of Employee Contributions	22,883
Trustee Expenses	61,026
Administrative Expenses	158,208
Investment Expenses	<u>333,769</u>
	19,267,782
<i>Value as of July 1, 2012</i>	87,183,973

Approximate Net Rate of Return: -1.00%

The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

B. Allocation of Plan Assets

	<i>July 1, 2011</i>	<i>July 1, 2012</i>
<i>Assets</i>		
Cash	\$578,780	\$48,685
Common Stocks	29,950,937	26,685,995
Advisory Research	0	15,421,830
RMK Timberland	6,365,468	5,732,213
SSGA S+P 500 Flagship	25,300,643	14,392,397
SSGA International Alpha Select	10,897,299	0
Pimco Investment	<u>23,563,152</u>	<u>24,902,853</u>
Total Market Value*	96,656,279	87,183,973

* Numbers may not add due to rounding.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

C. Determination of Actuarial Value of Assets

The Actuarial Value of Assets as of July 1, 2012 is derived as follows:

1. Actuarial Value of Assets as of July 1, 2011	\$114,143,029
2. Employer Contributions	8,493,774
3. Employee Contributions	1,831,875
4. Benefit Payments and Administrative Expenses	(18,872,987)
5. Expected Investment Income at 7.75% on (1) through (4)	8,521,055
6. Expected Actuarial Value of Assets, June 30, 2012 (1)+(2)+(3)+(4)+(5)	114,116,746
7. Actual Market Value of Assets, June 30, 2012	87,183,973
8. Final Actuarial Value of Assets: 80% of (6) + 20% of (7)	108,730,191

Approximate Net Rate of Return: 2.85%

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

D. Asset Gain/(Loss)

	<i>Market Value</i>	<i>Actuarial Value</i>
1. Value on July 1, 2011	\$96,656,279	\$114,143,029
2. Contributions	10,325,649	10,325,649
3. Benefit Payments and Administrative Expenses	(18,872,987)	(18,872,987)
4. Expected Investment Income at 7.75% on (1) through (3)	7,165,832	8,521,055
5. Expected Value on June 30, 2012: (1)+(2)+(3)+(4)	95,274,773	114,116,746
6. Actual Value of Assets on June 30, 2012	87,183,973	108,730,191
7. Asset Gain/(Loss): (6) - (5)	(8,090,800)	(5,386,555)
8. Approximate Net Rate of Return	-1.00%	2.85%

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

A. Notes to Required Supplementary Information

Government Accounting Standards Board Statement No. 25 requires that The Town of Stratford disclose certain information on an annual basis regarding the funding of the Retirement Plan for Employees of The Town of Stratford.

The Retirement Plan for The Town of Stratford was created by The Town of Stratford to provide defined benefit pensions to its employees.

The Town's funding policy has been to contribute each year an amount equal to the normal cost plus a past service payment representing amortization of the Unfunded Accrued Liability. The actuarial assumptions used to calculate the figures reported herein are the same as those used to calculate the contribution level.

The Town's funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to accumulate the assets needed to pay benefits when due.

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	25 years from July 1, 2010
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.75%
Projected Salary Increases	6.00% to 3.00% based on age
Payroll Growth Rate	4.00%
Inflation	2.50%
Cost-of-Living Adjustments	None

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

B. Schedule of Funding Progress

<i>Actuarial Valuation Date</i>	<i>(1) Actuarial Value of Assets</i>	<i>(2) Actuarial Accrued Liability (AAL)</i>	<i>(3) Unfunded AAL (UAAL) (2) - (1)</i>	<i>(4) Funded Ratio (1) / (2)</i>	<i>(5) Covered Payroll</i>	<i>(6) UAAL as a Percentage of Covered Payroll (3) / (5)</i>
July 1, 2004	\$20,648,514	\$191,850,844	\$171,202,330	10.76%	\$24,129,679	709.51%
July 1, 2005	15,501,793	195,580,813	180,079,020	7.93%	26,481,954	680.01%
July 1, 2006	11,052,753	204,336,960	193,284,207	5.41%	24,881,992	776.80%
July 1, 2007	136,089,974	208,934,552	72,844,578	65.14%	24,494,790	297.39%
July 1, 2008	132,753,542	225,549,354	92,795,812	58.86%	24,002,108	386.62%
July 1, 2009	123,651,853	232,658,513	109,006,660	53.15%	24,238,011	449.73%
July 1, 2010	116,886,092	238,530,403	121,644,311	49.00%	23,991,550	507.03%
July 1, 2011	114,143,029	259,719,466	145,576,437	43.95%	23,551,913	618.11%
July 1, 2012	108,730,191	292,885,687	184,155,496	37.12%	22,770,569	808.74%

Note: Through July 1, 2006, the Actuarial Value of Assets shown above is based on the Market Value of Assets excluding the proceeds of the general obligation pension bond issue of August 1998. Starting with July 1, 2007, the pension based bond proceeds are included in the Actuarial Value of Assets.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

C. Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution Reflecting Pension Obligation Bond Proceeds	GASB 25 Annual Required Contribution Excluding Pension Obligation Bond Proceeds		Actual Contribution Paid by Town	Percent of Actuarially Determined Contribution Funded
2006	\$4,840,940	\$11,651,536		\$4,840,940	100%
2007	5,086,832	12,435,843		111,651,079 *	100%
2008	5,646,579	N/A		5,669,932	100%
2009	5,622,712	N/A		5,622,712	100%
2010	7,233,412	N/A		7,233,452	100%
2011	8,526,398	N/A		8,526,398	100%
2012	8,521,128	N/A		8,493,774	100%
2013	10,264,676	N/A		N/A	-
2014	12,720,477	N/A		N/A	-

* Includes \$5,086,900 Town contribution plus the deposit of the proceeds of the general obligation pension bond issue of August 1998 into the pension trust.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

D. Summary of Membership

	<i>July 1, 2011</i>	<i>July 1, 2012</i>
<i>Active Members</i>		
Number vested	239	233
Number not yet vested	<u>91</u>	<u>78</u>
Total	330	311
<i>Suspended Members *</i>	17	16
<i>Retired Members</i>	354	364
<i>Disabled Members</i>	161	154
<i>Beneficiaries of Deceased Members</i>	98	95
<i>Terminated Vested and Inactive Members</i>	19	21
<i>Nonvested Members Due Refunds</i>	<u>0</u>	<u>0</u>
<i>Total Members</i>	979	961

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

E. Solvency Test

The Solvency Test measures the extent to which plan assets (on an Actuarial Value basis) are sufficient to cover the Accrued Liability for different classes of plan

Valuation Date	Actuarial Value of Assets	Accrued Liability			Percentage Funded		
		Members in Pay Status	Terminated Vested Members	Active Members	Members in Pay Status	Terminated Vested Members	Active Members
July 1, 2004	\$135,917,574	\$121,584,129	\$5,045,978	\$67,220,737	100.0%	100.0%	16.8%
July 1, 2005	136,032,189	122,887,473	3,245,586	69,447,754	100.0%	100.0%	14.3%
July 1, 2006	135,792,055	133,180,209	5,622,200	65,534,551	100.0%	46.5%	0.0%
July 1, 2007	136,089,974	139,217,062	6,291,571	63,425,919	97.8%	0.0%	0.0%
July 1, 2008	132,753,542	153,798,733	7,193,802	64,556,819	86.3%	0.0%	0.0%
July 1, 2009	123,651,853	157,468,738	8,341,573	66,848,202	78.5%	0.0%	0.0%
July 1, 2010	116,886,092	162,518,682	1,630,019	74,381,702	71.9%	0.0%	0.0%
July 1, 2011	114,143,029	174,955,110	2,980,286	81,784,070	65.2%	0.0%	0.0%
July 1, 2012	108,730,191	194,153,392	4,806,064	93,926,231	56.0%	0.0%	0.0%

Note: The Actuarial Value of Assets shown above includes the proceeds of the general obligation pension bond issue.

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

F. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	<i>As of July 1, 2011</i>	<i>As of July 1, 2012</i>
1. Value of Vested Benefits		
Active and Suspended Members	\$51,538,086	\$59,997,596
Retired Members	124,034,915	140,654,667
Disabled Members	41,022,161	41,756,825
Beneficiaries of Deceased Members	9,898,034	11,741,900
Terminated Vested and Inactive Members	2,980,286	4,806,064
Total Value of Vested Benefits	229,473,482	258,957,052
2. Value of Non-Vested Benefits	10,498,803	12,054,080
3. Total Value of Accrued Benefits: (1) + (2)	239,972,285	271,011,132
4. Market Value of Assets	96,656,279	87,183,973
5. Vested Funded Ratio: (4) / (1)	42.1%	33.7%
6. Accrued Funded Ratio: (4) / (3)	40.3%	32.2%

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

G. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2011-2012 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$17,872,654
Benefits Accumulated/(Forfeited)	6,369,289
Benefit Payments	(18,714,779)
Plan Amendments	0
Changes in Actuarial Assumptions	<u>25,511,683</u>
Net Increase/(Decrease)	31,038,847

Value of Accrued Plan Benefits:

July 1, 2012	\$271,011,132
July 1, 2011	<u>239,972,285</u>
Net Increase/(Decrease)	31,038,847

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

A. Reconciliation of Membership to Prior Valuation

	<i>Active</i>	<i>Suspended</i>	<i>Due Refund</i>	<i>Term. Vested</i>	<i>Retired</i>	<i>Disabled</i>	<i>Beneficiary</i>	<i>Total</i>
<i>Count as of July 1, 2010</i>	330	17	0	19	354	161	98	979
Terminated, not vested	(1)	-	-	-	-	-	-	(1)
Terminated, vested	(3)	-	-	3	-	-	-	-
Paid lump sum	-	-	-	-	-	-	-	-
Retired	(14)	(1)	-	(1)	16	-	-	-
Disabled	-	-	-	-	-	-	-	-
Died, due refund	-	-	-	-	-	-	-	-
Died, beneficiary due benefits	(1)	-	-	-	(3)	(2)	6	-
Died, no further benefits due	-	-	-	-	(3)	(5)	(10)	(18)
Certain period ended	-	-	-	-	-	-	-	-
New participant	-	-	-	-	-	-	1	1
Rehired	-	-	-	-	-	-	-	-
Suspended	-	-	-	-	-	-	-	-
<i>Count as of July 1, 2011</i>	311	16	0	21	364	154	95	961

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

B. Summary of Active Membership

	<i>July 1, 2011</i>	<i>July 1, 2012</i>	<i>Change</i>	<i>Percent Change</i>
<i>Number of Members</i>				
BOE/Town	140	131	(9)	(6.43)
Fire	93	88	(5)	(5.38)
Police	97	92	(5)	(5.15)
Total	330	311	(19)	(5.76)
<i>Total Annual Compensation</i>				
BOE/Town	\$7,469,470	\$7,199,936	(\$269,534)	(3.61)
Fire	8,688,944	8,091,826	(597,118)	(6.87)
Police	7,393,499	7,478,807	85,308	1.15
Total	23,551,913	22,770,569	(781,344)	(3.32)
<i>Average Compensation</i>				
BOE/Town	\$53,350	\$54,960	\$1,610	3.02
Fire	93,430	91,950	(1,480)	(1.58)
Police	76,220	81,290	5,070	6.65
Total	71,370	73,220	1,850	2.59
<i>Average Age</i>				
BOE/Town	53.0	53.7	0.7	1.35
Fire	40.8	41.4	0.6	1.47
Police	41.8	42.3	0.6	0.00
Total	46.2	46.8	0.6	1.30
<i>Average Service</i>				
BOE/Town	19.0	19.9	0.9	4.62
Fire	11.9	12.5	0.6	5.04
Police	13.1	13.5	0.4	2.71
Total	15.3	15.9	0.6	4.10

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

C. Summary of Inactive Membership

	July 1, 2011				July 1, 2012			
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
Retired Members								
Number	254	51	49	354	260	50	54	364
Total Annual Benefit	\$6,368,903	\$2,904,157	\$2,995,084	\$12,268,144	\$6,613,535	\$2,835,283	\$3,401,122	\$12,849,940
Average Annual Benefit	25,074	56,944	61,124	34,656	25,437	56,706	62,984	35,302
Average Age	69.2	66.2	63.7	68.0	69.8	66.0	63.4	68.3
Disabled Members								
Number	55	65	41	161	52	63	39	154
Total Annual Benefit	\$1,434,003	\$2,342,821	\$1,143,958	\$4,920,782	\$1,366,648	\$2,253,035	\$1,095,264	\$4,714,947
Average Annual Benefit	26,073	36,043	27,901	30,564	26,282	35,762	28,084	30,617
Average Age	65.0	66.4	68.4	66.4	65.4	67.1	68.9	67.0
Beneficiaries of Decensed Members								
Number	44	24	30	98	42	28	25	95
Total Annual Benefit	\$488,361	\$399,926	\$342,788	\$1,231,075	\$485,524	\$547,624	\$314,775	\$1,347,923
Average Annual Benefit	11,099	16,664	11,426	12,562	11,560	19,558	12,591	14,189
Average Age	75.9	73.8	78.4	76.1	75.5	73.6	77.6	75.5
Members								
Number	15	1	3	19	16	2	3	21
Total Annual Benefit	\$202,201	\$10,379	\$112,693	\$325,273	\$225,340	\$133,230	\$85,158	\$443,728
Average Annual Benefit	13,480	10,379	37,564	17,120	14,084	66,615	28,386	21,130
Average Age	49.1	49.0	42.3	48.0	50.1	49.5	44.0	49.2
Suspended Members *								
Number	17	0	0	17	16	0	0	16

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan

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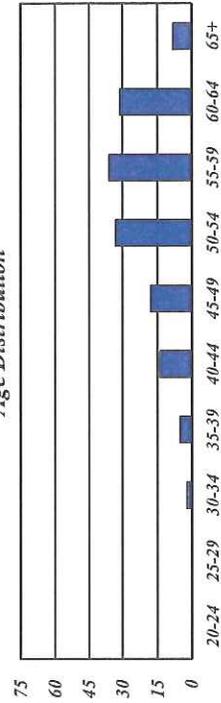
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

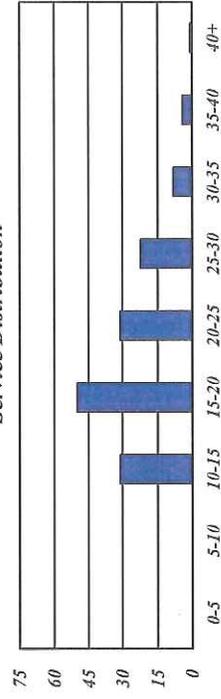
D. Distribution of Active Members - Count - Town/BOE

Age	Years of Service											All Years	
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+				
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	1	1	0	0	0	0	0	0	0	0	2
35-39	0	0	2	2	1	0	0	0	0	0	0	0	5
40-44	0	0	3	10	1	0	0	0	0	0	0	0	14
45-49	0	0	3	2	5	7	1	0	0	0	0	0	18
50-54	0	0	7	13	6	4	3	0	0	0	0	0	33
55-59	0	0	7	12	5	6	4	2	0	0	0	0	36
60-64	0	0	5	9	11	3	0	2	1	0	0	0	31
65+	0	0	3	1	2	2	0	0	0	0	0	0	8
All Ages	0	0	31	50	31	22	8	4	1	0	0	0	147

Age Distribution



Service Distribution



**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

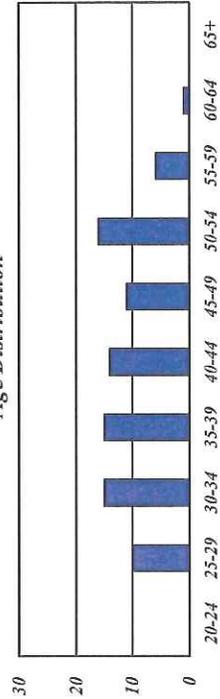
**SECTION V
MEMBERSHIP DATA**

D. Distribution of Active Members - Count - Fire

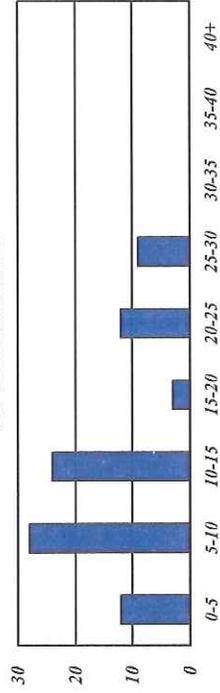
Years of Service

Age	Years of Service											All Years	
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+				
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	3	7	0	0	0	0	0	0	0	0	0	0	10
30-34	3	8	4	0	0	0	0	0	0	0	0	0	15
35-39	3	6	6	0	0	0	0	0	0	0	0	0	15
40-44	1	4	6	2	1	0	0	0	0	0	0	0	14
45-49	2	1	4	1	3	0	0	0	0	0	0	0	11
50-54	0	1	3	0	4	8	0	0	0	0	0	0	16
55-59	0	1	0	0	4	1	0	0	0	0	0	0	6
60-64	0	0	1	0	0	0	0	0	0	0	0	0	1
65+	0	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	12	28	24	3	12	9	0	0	0	0	0	0	88

Age Distribution



Service Distribution



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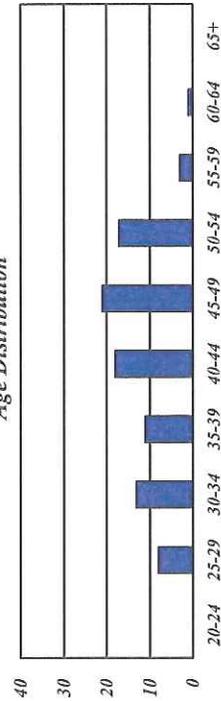
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

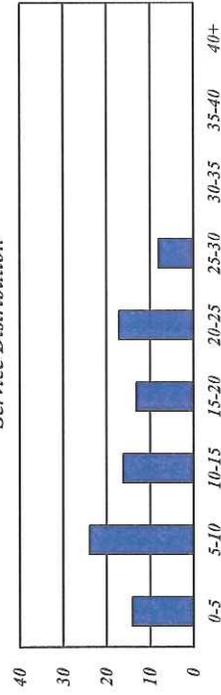
D. Distribution of Active Members - Count - Police

Age	Years of Service											All Years	
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+				
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	7	1	0	0	0	0	0	0	0	0	0	0	8
30-34	4	8	1	0	0	0	0	0	0	0	0	0	13
35-39	1	9	1	0	0	0	0	0	0	0	0	0	11
40-44	2	3	7	5	1	0	0	0	0	0	0	0	18
45-49	0	2	4	5	7	3	0	0	0	0	0	0	21
50-54	0	1	1	3	7	5	0	0	0	0	0	0	17
55-59	0	0	2	0	1	0	0	0	0	0	0	0	3
60-64	0	0	0	0	1	0	0	0	0	0	0	0	1
65+	0	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	14	24	16	13	17	8	0	0	0	0	0	0	92

Age Distribution



Service Distribution



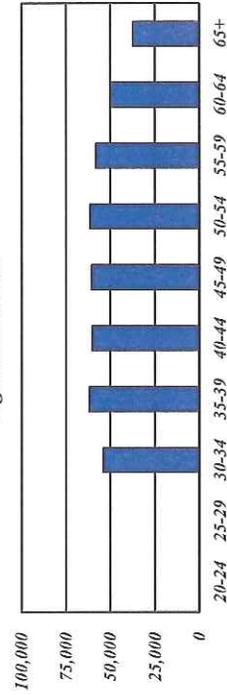
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

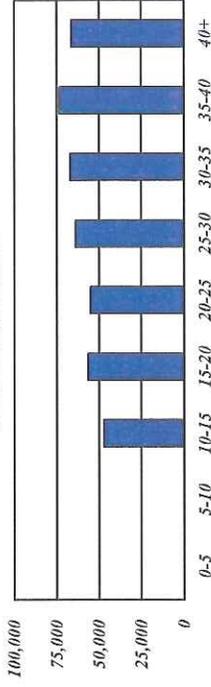
E. Distribution of Active Members - Average Salaries - Town/BOE

Age	Years of Service											All Years	
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	All Years			
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	38,702	68,897	0	0	0	0	0	0	0	0	53,800
35-39	0	0	70,056	61,060	46,234	0	0	0	0	0	0	0	61,693
40-44	0	0	52,999	59,104	94,188	0	0	0	0	0	0	0	60,301
45-49	0	0	54,549	42,718	66,956	64,705	54,093	0	0	0	0	0	60,605
50-54	0	0	35,186	57,452	76,394	90,534	71,670	0	0	0	0	0	61,476
55-59	0	0	45,609	60,317	63,511	55,964	66,815	65,298	0	0	0	0	58,174
60-64	0	0	50,803	50,044	34,820	68,645	81,985	66,457	0	0	0	0	49,155
65+	0	0	44,832	41,248	36,252	24,825	0	0	0	0	0	0	37,237
All Ages	0	0	46,953	56,596	55,053	63,929	67,045	73,641	66,457	66,457	73,641	66,457	56,434

Age Distribution



Service Distribution



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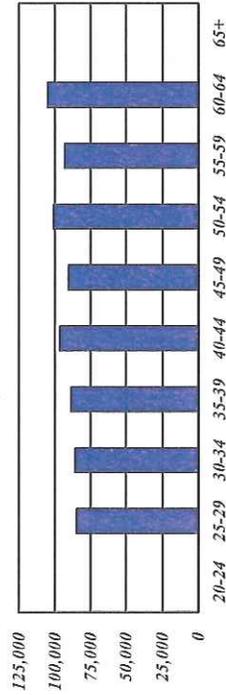
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

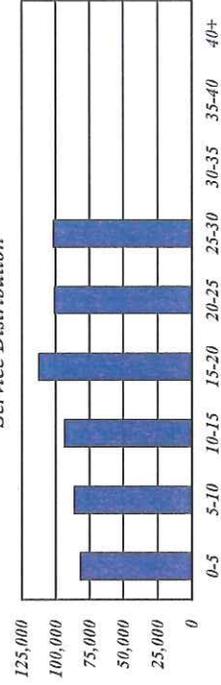
E. Distribution of Active Members - Average Salaries - Fire

Age	Years of Service										
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	All Years	
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0	0
25-29	82,867	85,872	0	0	0	0	0	0	0	84,971	84,971
30-34	77,471	84,928	93,386	0	0	0	0	0	0	85,692	85,692
35-39	80,573	88,378	93,015	0	0	0	0	0	0	88,671	88,671
40-44	95,224	86,812	92,764	117,684	118,592	0	0	0	0	96,644	96,644
45-49	81,099	83,108	89,194	102,513	96,582	0	0	0	0	90,395	90,395
50-54	0	86,090	96,905	0	108,343	100,749	0	0	0	101,010	101,010
55-59	0	81,964	0	0	92,047	107,888	0	0	0	93,006	93,006
60-64	0	0	105,100	0	0	0	0	0	0	105,100	105,100
65+	0	0	0	0	0	0	0	0	0	0	0
All Ages	81,680	86,043	93,367	112,627	100,825	101,542	0	0	0	91,953	

Age Distribution



Service Distribution



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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

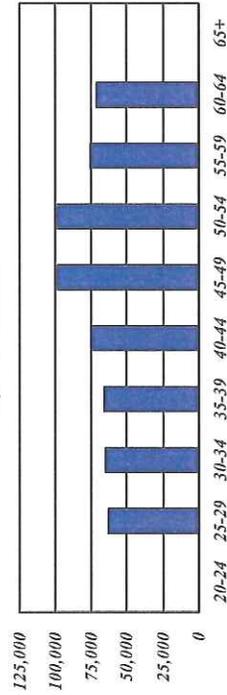
**SECTION V
MEMBERSHIP DATA**

E. Distribution of Active Members - Average Salaries - Police

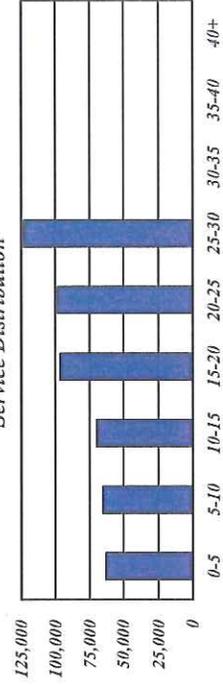
Years of Service

Age	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	All Years
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0
25-29	62,496	63,376	0	0	0	0	0	0	0	62,606
30-34	62,760	64,957	71,281	0	0	0	0	0	0	64,767
35-39	62,144	65,791	68,115	0	0	0	0	0	0	65,671
40-44	62,760	63,376	69,739	86,835	114,151	0	0	0	0	75,119
45-49	0	65,746	73,357	107,468	104,136	127,936	0	0	0	98,811
50-54	0	63,376	63,376	94,445	96,505	120,540	0	0	0	99,313
55-59	0	0	65,746	0	95,349	0	0	0	0	75,613
60-64	0	0	0	0	71,272	0	0	0	0	71,272
65+	0	0	0	0	0	0	0	0	0	0
All Ages	62,584	65,006	69,741	96,527	99,133	123,314	0	0	0	81,291

Age Distribution



Service Distribution



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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

F. Distribution of Inactive Members as of July 1, 2012 - Town/BOE

		<i>Age</i>	<i>Number</i>	<i>Annual Benefits</i>
Terminated Vested Members / Members Due Refunds				
		< 30	0	\$0
		30 - 39	2	34,268
Count	16	40 - 49	3	38,268
Average Age	50.1	50 - 59	11	152,804
Total Annual Benefit	\$225,340	60 - 64	0	0
Ave. Annual Benefit	14,084	65 +	0	0
		Total	16	225,340
Retired Members				
		< 50	2	\$59,031
		50 - 59	26	931,729
Count	260	60 - 69	112	3,169,336
Average Age	69.8	70 - 79	80	1,734,488
Total Annual Benefit	\$6,613,535	80 - 89	34	661,988
Ave. Annual Benefit	25,437	90 +	6	56,963
		Total	260	6,613,535
Disabled Retirees				
		< 50	6	\$145,874
		50 - 59	7	163,089
Count	52	60 - 69	17	368,550
Average Age	65.4	70 - 79	17	473,802
Total Annual Benefit	\$1,366,648	80 - 89	5	215,333
Ave. Annual Benefit	26,282	90 +	0	0
		Total	52	1,366,648
Beneficiaries				
		< 50	0	\$0
		50 - 59	4	58,443
Count	42	60 - 69	11	171,000
Average Age	75.5	70 - 79	8	93,004
Total Annual Benefit	\$485,524	80 - 89	14	116,177
Ave. Annual Benefit	11,560	90 +	5	46,899
		Total	42	485,524

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

F. Distribution of Inactive Members as of July 1, 2012 - Fire

		<i>Age</i>	<i>Number</i>	<i>Annual Benefits</i>
Terminated Vested Members / Members Due Refunds				
		< 30	0	\$0
		30 - 39	0	0
Count	2	40 - 49	1	122,850
Average Age	49.5	50 - 59	1	10,379
Total Annual Benefit	\$133,230	60 - 64	0	0
Ave. Annual Benefit	66,615	65 +	0	0
		Total	2	133,230
Retired Members				
		< 50	2	165,974
		50 - 59	11	737,839
Count	50	60 - 69	18	1,108,017
Average Age	66.0	70 - 79	14	638,905
Total Annual Benefit	\$2,835,283	80 - 89	5	184,547
Ave. Annual Benefit	56,706	90 +	0	0
		Total	50	2,835,283
Disabled Retirees				
		< 50	9	425,940
		50 - 59	10	530,438
Count	63	60 - 69	14	527,243
Average Age	67.1	70 - 79	17	478,559
Total Annual Benefit	\$2,253,035	80 - 89	13	290,852
Ave. Annual Benefit	35,762	90 +	0	0
		Total	63	2,253,035
Beneficiaries				
		< 50	0	0
		50 - 59	5	123,085
Count	28	60 - 69	5	128,890
Average Age	73.6	70 - 79	6	88,322
Total Annual Benefit	\$547,624	80 - 89	10	184,596
Ave. Annual Benefit	19,558	90 +	2	22,732
		Total	28	547,624

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

F. Distribution of Inactive Members as of July 1, 2012 - Police

		<i>Age</i>	<i>Number</i>	<i>Annual Benefits</i>
Terminated Vested Members / Members Due Refunds				
		< 30	0	\$0
		30 - 39	0	0
Count	3	40 - 49	3	85,158
Average Age	44.0	50 - 59	0	0
Total Annual Benefit	\$85,158	60 - 64	0	0
Ave. Annual Benefit	28,386	65 +	0	0
		Total	3	85,158
Retired Members				
		< 50	3	\$242,645
		50 - 59	17	1,404,867
Count	54	60 - 69	23	1,350,145
Average Age	63.4	70 - 79	8	345,818
Total Annual Benefit	\$3,401,122	80 - 89	3	57,649
Ave. Annual Benefit	62,984	90 +	0	0
		Total	54	3,401,122
Disabled Retirees				
		< 50	4	\$108,915
		50 - 59	4	99,377
Count	39	60 - 69	12	346,823
Average Age	68.9	70 - 79	10	291,119
Total Annual Benefit	\$1,095,264	80 - 89	9	249,032
Ave. Annual Benefit	28,084	90 +	0	0
		Total	39	1,095,264
Beneficiaries				
		< 50	0	\$0
		50 - 59	1	14,747
Count	25	60 - 69	7	123,920
Average Age	77.6	70 - 79	6	73,726
Total Annual Benefit	\$314,775	80 - 89	9	86,664
Ave. Annual Benefit	12,591	90 +	2	15,719
		Total	25	314,775

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

A. Actuarial Cost Method

Effective with the July 1, 2007 valuation, the actuarial cost method used to develop the actuarially funded results in this valuation report is the *Entry Age Normal Actuarial Cost Method*. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The Normal Cost is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member.

If Normal Costs had been paid at this level for all prior years, a fund would have been accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The Unfunded Accrued Liability equals the Accrued Liability less the Actuarial Value of Assets. The Unfunded Accrued Liability is amortized as a level percent of payroll over a decreasing number of years, starting with 25 years as of July 1, 2010.

Actuarial Value of Assets

The difference between the expected Actuarial Value and the actual Market Value of Assets is smoothed over a five year period with the result constrained to be within +/- 20% of the actual Market Value. Beginning July 1, 2009, the 20% constraint has been removed.

Prior to July 1, 2007, for GASB25 purposes, the assets attributable to the general obligation pension bond issue of August 1998 are not used.

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

B. Actuarial Assumptions

Pre-Retirement Mortality 1994 Group Annuity Mortality. 80% of deaths among active Firefighters and Police are assumed to occur in the line of duty. 5% of deaths among all others are assumed to occur in the line of duty.

Post-Retirement Healthy Mortality RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA. These tables take into account future mortality improvements.

Post-Retirement Disabled Mortality 1983 Railroad Retirement Board Disabled Mortality Table.

Investment Return Current: 6.75% per annum (net of investment expenses).
Prior: 7.75% per annum (net of investment expenses).

Amortization Growth Rate 4.00%.

Salary Increases

Police and Firefighters 4.00%

Town/Board of Education Based on table below:

<i>Age</i>	<i>Rate</i>
<25	6.00%
25-29	5.50%
30-34	5.25%
35-39	5.00%
40-44	4.75%
45-49	4.50%
50-54	4.00%
55-59	3.75%
60-64	3.50%
65+	3.00%

Inflation The Consumer Price Index will increase 2.5% annually.

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

B. Actuarial Assumptions

Retirement

<i>Police and Firefighters</i>	<i>Years of Service</i>	<i>Rate</i>
	25	20%
	26	20%
	27-29	10%
	30	20%
	31	10%
	32	35%
	33+	30%
	Age 65	100%

<i>Town/Board of Education</i>	<i>Age</i>	<i>Rate</i>
	<55	2%
	55	15%
	56-57	2%
	58-59	10%
	60	10%
	61	10%
	62-64	35%
	65	35%
	66-69	35%
	70	100%

“Suspended” employees whose DB plan benefits have been frozen and who are currently covered by the Town’s 401(a) plan are assumed to retire per the rates shown above.

Employee Turnover

Police and Firefighters 10% for the first five years of service; none thereafter.

Town/Board of Education Per the Crocker-Sarason T7 Table:

<i>Age</i>	<i>Rate</i>
25	9.68
30	9.31
35	8.72
40	7.77
45	6.38
50	4.25

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

B. Actuarial Assumptions (continued)

Plan Expenses Actual administrative expenses paid in the prior year increased by 3%, and rounded to the nearest \$1,000.

Pre-Retirement Disability Rates Police, Firefighters and Public Works

<i>Age</i>	<i>Male</i>	<i>Female</i>
25	0.149	0.182
30	0.170	0.238
35	0.212	0.350
40	0.296	0.473
45	0.490	0.677
50	0.901	1.068
55	1.696	1.645
60	2.594	2.097

50% of disabilities are assumed to occur in the line of duty.

<i>Age</i>	<i>Rate</i>
25	0.075
30	0.084
35	0.096
40	0.115
45	0.162
50	0.240
55	0.400
60	0.843

5% of disabilities are assumed to occur in the line of duty.

Percent Married 80%.

Age of Spouse Females are assumed to be three years younger than their male spouses.

Load factor to anticipate cashout payments at termination that are included in Average Annual Compensation 14% for Police hired prior to 10/17/1996. 9% for Firefighters, Supervisors hired prior to 4/1/1985, Public Works and Town employees hired prior to 7/1/1985, Custodians and Secretaries hired prior to 7/1/2000, Nurses hired prior to 11/1/2000, and Paraprofessionals hired prior to 7/1/2002.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. This exhibit is based on our understanding of benefits as described by the plan document, Summary Plan Description, and applicable collective bargaining agreements. To the extent that this exhibit does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

<i>Effective Date</i>	April 1, 1948
<i>Eligibility</i>	Full-time employees excluding: <ul style="list-style-type: none">• Employees working less than 20 hours per week,• Officers elected by popular vote,• Employees accruing benefits under State Teachers Retirement Plan,• Members of the Supervisors, Town Hall and Public Works units hired after September 13, 1999 are not eligible. Board of Education Secretaries and Custodians hired after July 1, 2000, Nurses hired after November 11, 2000 and Para-Professionals hired after July 1, 2002 are not eligible. Police hired after July 1, 2010 are not eligible. Firefighters hired after July 1, 2012 are not eligible.
<i>Town/Board of Education</i>	All eligible employees including Public Works, Town Hall, Supervising, and Board of Education, but excluding Police and Firefighters.
<i>Compensation</i>	Includes, but is not limited to, basic salary, longevity pay, overtime / callback pay, cashout of certain unused days, and pay for acting in a higher classification. Police Plan B is limited to basic salary.
<i>Average Annual Compensation</i>	
<i>Town, Board of Education, Para-Professionals and Nurses</i>	Average of Compensation over last 24 months if less than 30 years of service. Average of Compensation over last 12 months if 30 or more years of service.
<i>Police and Firefighters</i>	Average of Compensation over last 24 months.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

<i>Continuous Service</i>	Number of years and completed months of uninterrupted service.
<i>Superannuation</i>	
<i>Board of Education and Supervisors</i>	23 years of Continuous Service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
<i>Para-Professionals</i>	23 years of Continuous Service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
<i>Public Works</i>	23 years of Continuous Service and, if hired after 7/1/85 age 50, or 5 years of service and age 55.
<i>Town Hall and Nurses</i>	23 years of Continuous Service and, if hired after 7/1/77 age 50, or 5 years of service and age 55.
<i>Police and Firefighters</i>	25 years of Continuous Service.
<i>Pension Benefit</i>	
<i>Town, Board of Education, Para-Professionals and Nurses</i>	2.4% of Average Annual Compensation for each of the first 25 years of Continuous Service, plus 2% of Average Annual Compensation for years 26-30 and 0.5% of Average Annual Compensation for years 31-35.
<i>Firefighters</i>	2.4% of Average Annual Compensation for each year of Continuous Service.
<i>Police</i>	2.4% of Average Annual Compensation for each of the first 25 years of Continuous Service, plus 2% of Average Annual Compensation for each year of Continuous Service over 25 years.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

Maximum Benefit

Town/Board of Education 72.5% of Average Annual Compensation.

Police and Firefighters 70% of Average Annual Compensation.

Optional Forms of Benefit 100% or 50% Contingent Annuitant; if the Contingent Annuitant dies before the Primary Annuitant, the election is revoked.

Disability Retirement Members (except Police and Firefighters) hired after July 1, 1985 (Town Hall, Para-Professionals and Nurses hired after July 1, 1962; Supervisors hired after April 1, 1985) who are eligible for Superannuation are not eligible for Disability Benefits.

Disability Incurred in Line of Duty 50% of Average Annual Compensation.

Disability Not Incurred in Line of Duty

Police and Firefighters 2.4% of Average Annual Compensation (AAC) for each year of Continuous Service. Maximum Benefit is 50% of AAC; Minimum Benefit is 25% of AAC.

**Town, Board of Education,
Para-Professionals, Nurses** 2.4% of Average Annual Compensation (AAC) for each year of Continuous Service, if Member has 5 years of Continuous Service. Maximum Benefit is 50% of AAC; Minimum Benefit is 30% of AAC.

Death Benefits

**Pre-Retirement Death,
Incurred In Line of Duty** 50% of last 12 months of Compensation, or \$1,500 if greater, to spouse until death or remarriage.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

Pre-Retirement Death, Not Incurred in Line of Duty 25% of Compensation, if member had 10 years of Continuous Service, to spouse until death or remarriage.

Post-Retirement Death Greater of 25% of Compensation or 50% of the Pension Benefit payable to spouse until death or remarriage.

If death is due to an accident in the line of duty within one year of retirement, benefit is equal to 50% of Compensation or \$1,500 if greater.

Death Benefits (pre- and post- retirement) are payable to dependent children under age 21 if no surviving spouse and to dependent parents if no surviving spouse or children. If no survivors, Accumulated Contributions in excess of benefits paid will be paid to estate.

Member Contributions

Town, Board of Education, Para-Professionals and Nurses 8% of Compensation; not payable in excess of 35 years.

Firefighters 8% of Compensation; not payable in excess of 30 years.

Police 8% of Compensation. 7% if hired after 10/17/1996.

Vesting Upon termination after 5 years of service (10 years for Police and Firefighters), Member has accrued the following benefits:

Firefighters: 2.4% of Average Annual Compensation (over 24 months) times years of service.

Police, Town/Board of Education, Para-Professionals, and Nurses: 2.4% of Average Annual Compensation (over 24 months) times years of service.

Post-Retirement Death: 50% of vested pension benefit payable to spouse until death or remarriage. Continuation of death benefits available to dependent children and parents.

Upon termination prior to vesting, Member contributions are returned with interest.