

This is an illustration for the unfunded accrued liability. Actual results can and will vary. See assumptions below.

Chippewa County
Value of assets

Unfunded accrued Liability

12/31/2013

Year	Value of assets		Return on			Value of assets	
	DTRF Contribution	Current Employee	Investment Rate of 5%	Retiree Payment	Total Annual cont	3,247,516.00	
2014	\$500,000.00	0.00	\$ 162,375.80		\$ 662,375.80	\$ 3,909,891.80	
1 2015	\$500,000.00	\$50,000.00	\$ 195,494.59		\$ 745,494.59	\$ 4,655,386.39	
2 2016	\$500,000.00	\$50,000.00	\$ 232,769.32		\$ 782,769.32	\$ 5,438,155.71	
3 2017	\$500,000.00	\$50,000.00	\$ 271,907.79		\$ 821,907.79	\$ 6,260,063.49	
4 2018	\$500,000.00	\$50,000.00	\$ 313,003.17		\$ 863,003.17	\$ 7,123,066.67	
5 2019	\$500,000.00	\$50,000.00	\$ 356,153.33		\$ 906,153.33	\$ 8,029,220.00	
6 2020	\$500,000.00	\$50,000.00	\$ 401,461.00		\$ 951,461.00	\$ 8,980,681.00	
7 2021	\$500,000.00	\$50,000.00	\$ 449,034.05		\$ 999,034.05	\$ 9,979,715.05	
8 2022	\$500,000.00	\$50,000.00	\$ 498,985.75		\$ 1,048,985.75	\$ 11,028,700.81	
9 2023	\$500,000.00	\$50,000.00	\$ 551,435.04		\$ 1,101,435.04	\$ 12,130,135.85	
10 2024	\$500,000.00	\$50,000.00	\$ 606,506.79		\$ 1,156,506.79	\$ 13,286,642.64	
11 2025	\$500,000.00	\$50,000.00	\$ 664,332.13		\$ 1,214,332.13	\$ 14,500,974.77	
12 2026	\$500,000.00	\$50,000.00	\$ 725,048.74		\$ 1,275,048.74	\$ 15,776,023.51	
13 2027			\$ 788,801.18	\$ 325,000.00	\$ 463,801.18	\$ 16,239,824.68	
14 2028			\$ 811,991.23	\$ 1,440,480.00	\$ (628,488.77)	\$ 15,611,335.92	
15 2029			\$ 780,566.80	\$ 1,440,480.00	\$ (659,913.20)	\$ 14,951,422.71	
16 2030			\$ 747,571.14	\$ 1,440,480.00	\$ (692,908.86)	\$ 14,258,513.85	
17 2031			\$ 712,925.69	\$ 1,440,480.00	\$ (727,554.31)	\$ 13,530,959.54	
18 2032			\$ 676,547.98	\$ 1,440,480.00	\$ (763,932.02)	\$ 12,767,027.52	
19 2033			\$ 638,351.38	\$ 1,440,480.00	\$ (802,128.62)	\$ 11,964,898.90	
20 2034			\$ 598,244.94	\$ 1,440,480.00	\$ (842,235.06)	\$ 11,122,663.84	
21 2035			\$ 556,133.19	\$ 1,440,480.00	\$ (884,346.81)	\$ 10,238,317.03	
22 2036			\$ 511,915.85	\$ 1,440,480.00	\$ (928,564.15)	\$ 9,309,752.89	
23 2037			\$ 465,487.64	\$ 1,440,480.00	\$ (974,992.36)	\$ 8,334,760.53	
24 2038			\$ 416,738.03	\$ 1,440,480.00	\$ (1,023,741.97)	\$ 7,311,018.56	
24 2039			\$ 365,550.93	\$ 1,440,480.00	\$ (1,074,929.07)	\$ 6,236,089.48	
26 2040			\$ 311,804.47	\$ 1,440,480.00	\$ (1,128,675.53)	\$ 5,107,413.96	
27 2041			\$ 255,370.70	\$ 1,440,480.00	\$ (1,185,109.30)	\$ 3,922,304.66	
28 2042			\$ 196,115.23	\$ 1,440,480.00	\$ (1,244,364.77)	\$ 2,677,939.89	
29 2043			\$ 133,896.99	\$ 1,440,480.00	\$ (1,306,583.01)	\$ 1,371,356.88	
30 2044			\$ 68,567.84	\$ 1,440,480.00	\$ (1,371,912.16)	\$ (555.27)	
Totals	\$6,500,000.00	\$ 600,000.00	\$ 14,465,088.71	\$ 24,813,160.00	\$ (3,248,071.29)	Exhibit A	

Assumptions for illustration for the unfunded accrued liability

Future Benefits	Chippewa County
Retiree, Beneficiaries, terminated	\$7,140,102.00
Active Members	\$15,221,140.00

Assumptions used in the above calculation

Present Value of Future Benefits	\$22,361,242.00
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Present Value is the present value of all benefits projected to be paid from the plan for past and future service to current members

Actuarial Accrued Liability	\$17,616,773.00
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Actuarial Accrued Liability is the portion of the present value allocated to the past service.

Assumed an annual return on investment rate of 5% which is also the rate used on the actuarial.
(This will not be the actual rate obtained, it may be lower or higher depending on the market. This rate is for illustration purposes only.)

Assumed no decline or increase in market value over the 30 year period.
(This will not be the case as the market always changes especially over a 30 year period)

Assumed liability will be paid off in 30 years (This will not be the case as some employees may live longer than 30 years from 2014)

Assumed an average annual premium based upon the present value of \$22,361,242 over 30 years @ 5%
(This will not be the case as the premium will fluctuate based upon the number of employees receiving health insurance.)