



**CITY OF DENISON
FIREMEN'S RELIEF AND RETIREMENT BOARD MEETING
AGENDA**

Thursday, January 11, 2024

After determining that a quorum is present, the Firemen's Relief and Retirement Board of the City of Denison, Texas will convene in a Regular Meeting on **Thursday, January 11, 2024 at 11:00 AM** in the Council Chambers at City Hall, 300 W. Main Street, Denison, Texas at which the following items will be considered:

1. CALL TO ORDER

2. PUBLIC COMMENTS

Citizens may speak on items listed on the Agenda. A "Request to Speak Card" should be completed and returned to the Board Secretary or City Clerk upon arrival, prior to the Board reaching the Public Comment section of the agenda. Citizen comments are limited to three (3) minutes, unless otherwise required by law.

3. ROLL CALL

Landon Lindsey - Chairman; Mark Escamilla - Vice-Chairman; Ross Brown - Fireman; Janet Gott - Mayor; Laurie Alsabbagh - Director of Finance - Secretary; Adam Doty - Citizen Trustee; Lee Thornton - Citizen Trustee

4. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Take action on approving the minutes from the regular Denison Firemen's Relief & Retirement Fund Board meeting held on December 14, 2023.
- B. Authorize payment(s) of monthly expenses.
- C. Treasurer's Report.
- D. Discuss and take action on pending retirements and/or payouts.
- E. Discuss and take action on updating the Denison Firemen's Relief and Retirement Fund business address from 700 W Chestnut, Denison, Texas to 300 W Main, Denison, Texas.
- F. Discuss and take action on proposal for actuarial services from Rudd and Wisdom, Inc.
- G. Future Agenda Items.

H. Receive a report from Fiduciary Financial Services Wealth Management.

5. ADJOURNMENT

CERTIFICATION

I do hereby certify that a copy of this Notice of Meeting was posted on the front windows of City Hall readily accessible to the general public at all times and posted on the City of Denison website on the 5th day of January 2024.

Christine Wallentine, City Clerk

In compliance with the Americans With Disabilities Act, the City of Denison will provide for reasonable accommodations for persons attending Firemen's Relief and Retirement Board Meeting. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 903-465-2720, Ext: 2437.

Denison Firemen's Relief & Retirement Fund
Minutes from December 14, 2023, meeting

Announce the presence of a quorum.

Board members in attendance: Landon Lindsey, Mark Escamilla, Laurie Alsabbagh, Ross Brown, Lee Thornton, and Adam Doty.

Absent: Janet Gott.

Other persons in attendance: Richard Wright and Zera Taylor.

- I. Meeting opened at 11:04 a.m. by Chairman Lindsey.
- II. Lindsey asked if there were any Public Comments received and Alsabbagh stated there were none received.
- III. Minutes from the Regular meeting held on November 9, 2023, were brought before the board. Thornton made a motion for approval, seconded by Brown. All board members approved.
- IV. Authorize payment of monthly expenses-monthly payroll (\$131,012.68); payroll taxes (\$17,642.12); Invoice from Zera Taylor for Plan Administration for November 2023 (\$400.00). Motion for approval was made by Brown and seconded by Thornton. All board members approved.
- V. Treasurer's report for the checking account was provided by Alsabbagh and given by Escamilla. The reconciled amount as of 11/30/2023 was \$73,948.05.
- VI. Discuss and take action on pending retirements and/or payouts (refunds). Brandon Eeds has retired, his monthly benefit to be approved is \$3,813.51. Keith Bates' monthly benefit amount from November needs to be corrected due to a miscalculation in the pension software that was discovered. The corrected monthly benefit amount is \$5,514.94. PensionEZ was updated before the November payroll went out, so Mr. Bates received the correct benefit amount in November. Robert Chase resigned and has requested a refund of his contributions. Mr. Chase paid into the fund \$13,450.35, we will withhold \$2,690.07 for taxes so his net amount to be refunded to him is \$10,760.28. Motion for approval of Eeds retirement, Bates benefit correction and Chase payout made by Thornton and seconded by Escamilla. All board members approved.
- VII. Possible Future agenda items: Look into different software for pension administration- Lindsey will reach out to Rudd and Wisdom for an updated quote; Escamilla has reached out to plan attorney Kim Wilkerson to update the plan document and write the RFP; Treasurer's report; Audit; QDRO's & payments for QDRO's for legal work; Anticipated Retirements; Special withdraw; PRB training; new business; report from FFSWM.
- VIII. Richard from Fiduciary Financial Services Wealth Management presented the monthly financial investment reports.

The meeting was adjourned at 11:56 a.m. by Chairman Lindsey.

Landon Lindsey, Chairman

Attest:

Laurie Alsabbagh, Secretary

DENISON FIREMEN'S RELIEF AND RETIREMENT FUND

Proposal for Actuarial Services



Rudd and Wisdom, Inc.
Consulting Actuaries

PRESENTED BY:

MARK R. FENLAW, F.S.A.
PRINCIPAL

BRANDON L. FULLER, F.S.A.
PRINCIPAL

REBECCA B. MORRIS, A.S.A.

December 29, 2023

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Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
Christopher S. Johnson, F.S.A.
Oliver B. Kiel, F.S.A.
Dustin J. Kim, F.S.A.
Edward A. Mire, F.S.A.



Rudd and Wisdom, Inc.
Consulting Actuaries

Rebecca B. Morris, A.S.A.
Amanda L. Murphy, F.S.A.
Michael J. Muth, F.S.A.
Khiem Ngo, F.S.A., A.C.A.S.
Timothy B. Seifert, F.S.A.
Chelsea E. Stewart, F.S.A.
Raymond W. Tilotta
Ronald W. Tobleman, F.S.A.
David G. Wilkes, F.S.A.

December 29, 2023

Via E-Mail: ztaylor@cityofdenison.com

Board of Trustees
Denison Firemen's Relief and Retirement Fund
c/o Ms. Zera Taylor, Administrator
300 W. Main Street
Denison, TX 75020

Re: Proposal for Actuarial Services

Dear Board Members:

Rudd and Wisdom, Inc. is pleased to submit this proposal to provide actuarial services for the Denison Firemen's Relief and Retirement Fund (the Fund). Our proposal is for an engagement of four years. The engagement would include two biennial actuarial valuations as of December 31, 2023 and December 31, 2025 and the annual reports of the accounting pension expense and disclosures for the city's fiscal years ending each September 30 and of accounting disclosures for the Fund's plan years ending each December 31. The fees and hourly rates partially reflect the higher inflation of 2021 and 2022.

If you accept our proposal to provide professional actuarial services for the Fund, you will benefit from established services that set us apart from other firms providing actuarial valuations for Texas Local Fire Fighters Retirement Act (TLFFRA) funds.

- We are leaders in providing excellence in actuarial services for TLFFRA funds, including four-year projections of the amortization period of the unfunded actuarial accrued liability (UAAL) in the next two valuations and using sophisticated valuation software.
- Our services are reliable and credible as a result of our internal peer review process with a team of experienced actuaries and as evidenced by positive external actuarial audits of our services.
- We provide value-added services because of our familiarity with TMRS, its funding policy, and contribution and benefit issues (firefighters compared to other city employees).

The actuaries who would provide your actuarial services are experienced in providing actuarial services for public pension clients. Mark R. Fenlaw, F.S.A., and Brandon L. Fuller, F.S.A., would be the co-principal actuaries, and Rebecca B. Morris, A.S.A., would be the support actuary, with all three contributing to the technical and consulting actuarial services.

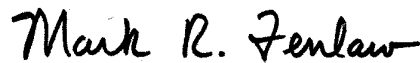
We believe we not only have more Texas public plan experience than other firms providing services for TLFFRA funds but also are more thorough in our work than other firms. Part of our thoroughness is due to more internal review. And, more importantly, we do our best to tailor our work to meet each client's needs for the long-term operation of their fund and to help the board understand the key issues.

If you give us the opportunity to continue to provide the Fund professional actuarial services, we think both the Fund Board of Trustees and the city would find that our reports are more understandable and useful compared to the reports of other firms providing actuarial services for TLFFRA funds. We have sharpened our skills with our four-year projections and made them a prominent part of our valuation report. We know of no other actuarial firm providing services for TLFFRA funds that projects the UAAL amortization period for the next two biennial actuarial valuations for several scenarios.

We have a proven record in providing professional actuarial services for TLFFRA fund clients and would consider it a privilege to continue providing your actuarial services. If you have any questions regarding our proposal, please contact us.

In addition to our proposal for actuarial services, we have included in Appendix A an overview of a web-based pension portal that we could provide for your Fund as a separate service. It includes functionality for data storage, data administration, benefit projections, and benefit calculations. Please let of us know if you would like a virtual demonstration.

Sincerely,



Mark R. Fenlaw, F.S.A.



Brandon L. Fuller, F.S.A.



Rebecca B. Morris, A.S.A.

MRF/BLF/RBM:nlg

Acceptance – Four-Year Engagement

The Board of Trustees of the Denison Firemen's Relief and Retirement Fund accepts this proposal dated December 29, 2023 for the four-year period including two biennial actuarial valuations as of December 31, 2023 and December 31, 2025, and the annual reports of accounting pension expense and disclosures for the city through the fiscal year ending September 30, 2027 and accounting disclosures for the Fund through the plan year ending December 31, 2026.

Member, Board of Trustees
Denison Firemen's Relief and Retirement Fund

Date

Proprietary Information Identification And Location in the Proposal

Identification

Executive Summary
Section 3c – Cost Proposal

Location

page 5
pages 17-18

Executive Summary (Proprietary)

A. Things that Set Rudd and Wisdom, Inc. Apart from Other TLFFRA Actuaries

1. Four-year projections of the UAAL amortization period under various scenarios
2. Analysis of the change in the UAAL amortization period since the prior valuation
3. Review of actuarial assumptions that includes an experience review
4. Readable, useful valuation reports
5. A team of actuaries with extensive Texas public plan experience
6. Multi-step internal peer review process
7. Positive external actuarial audits of our services
8. Years of experience with Texas public defined benefit plans with predetermined contribution rates
9. Plan drafting (or reviewing) services as part of our regular services
10. Familiarity with TMRS

B. Description of Services

	<u>12/31/23 Fees</u>	<u>12/31/25 Fees</u>
1. Actuarial valuation	\$18,750	\$19,900
2. Individual employee benefit statements	included in 1.	included in 1.
3. Four-year projections, six scenarios	included in 1.	included in 1.
4. Meetings with board	included in 1.	included in 1.
5. Special studies for plan changes, if requested	hourly rates	hourly rates
6. Work with attorney on needed plan document revisions, if requested	hourly rates	hourly rates
7. GASB 67 disclosures for Fund		
a. plan year ending 12/31/2023	\$2,100	
b. plan year ending 12/31/2024	\$2,100	
c. plan year ending 12/31/2025		\$2,200
d. plan year ending 12/31/2026		\$2,200
8. GASB 68 expense and disclosures for city		
a. fiscal year ending 9/30/2024	\$2,100	
b. fiscal year ending 9/30/2025	\$2,100	
c. fiscal year ending 9/30/2026		\$2,200
d. fiscal year ending 9/30/2027		\$2,200
9. PRB-1000		
a. plan year ending 12/31/2023	\$800	
b. plan year ending 12/31/2024	\$825	
c. plan year ending 12/31/2025		\$850
d. plan year ending 12/31/2026		\$875

Section 1 – Qualifications and Experience

a. Firm Background

Rudd and Wisdom, Inc. is a corporation that was established in 1945 under the name of John S. Rudd, Jr. Eugene Wisdom joined the firm in 1952. Soon thereafter began the operation of the partnership Rudd and Wisdom Consulting Actuaries. The partnership continued until the firm was incorporated in the State of Texas under the name Rudd and Wisdom, Inc. on January 1, 1977. Rudd and Wisdom, Inc. is the oldest continuously operating actuarial consulting firm in the State of Texas, and we continue to be owned and managed by the principals of the firm, currently 16.

Our founding partners created a legacy of independence, professionalism, ethics and integrity that survives to this day and serves as the foundation upon which the firm is operated.

Our staff (30 employees, 19 of whom are actuaries) includes a group of talented consulting actuaries and system professionals with experience across a broad range of disciplines. Information on the different divisions of the firm and biographical information for the actuaries of the firm is presented in our website, www.ruddwisdom.com. Our one office is in Austin, Texas.

b. Staff to Provide Services in This Proposal

The actuaries who would provide your actuarial services are experts in providing actuarial services for public pension clients. Mark R. Fenlaw, F.S.A., and Brandon L. Fuller, F.S.A., would be the co-principal actuaries and Rebecca B. Morris, A.S.A., would be the support actuary. All three would provide technical and consulting actuarial services. Resumes for Mr. Fenlaw, Mr. Fuller, and Ms. Morris are provided in Section 4.

Our team would be easily accessible by phone, e-mail, or text to the contact person or persons designated by the board of trustees. As a part of the written reports, presentations, and all other forms of communications, we would strive to be a resource to the board of trustees, doing what we can to help with the Fund's success.

Although it is expected that Mr. Fenlaw, Mr. Fuller, and Ms. Morris would provide all of the actuarial services for the Fund throughout the four-year engagement, there are four other credentialed actuaries and actuarial students (still taking actuarial exams to become credentialed) who have public plan experience using the actuarial valuation software that we would use for the Fund.

c. Experience in Performing the Requested Services

Mr. Fenlaw and Ms. Morris spend almost all of their time providing actuarial services for public employee pension plans in Texas, primarily TLFFRA funds. That has been true for many years as indicated in our list of clients in Section 2 and in their resumes in Section 4. Mr. Fuller has had experience with both public and private pension plans and retiree medical plans. He has strong technical skills in using our software for actuarial valuations

and experience studies. In the last six years, he has assisted Mr. Fenlaw on three actuarial audits of Texas public employee pension plans, including a TLFFRA fund. Since 2019, he has been working with Mr. Fenlaw and Ms. Morris on TLFFRA fund clients. His experience and skill have increased our capacity to provide actuarial services for more TLFFRA fund clients.

We believe we offer the best value for the Fund with our personnel and our Texas public plan experience. We would really like to continue to be the Fund's actuaries.

d. Internal Peer Review Process

Our firm is large enough to provide depth of support and peer review on services we provide to you. The personnel who would be assigned to provide actuarial services under this proposal are our leading experts in providing actuarial services for public pension clients. We believe that our clients' needs are best served through Rudd and Wisdom's standard of having actuarial work subjected to close peer review by other actuaries in our firm.

We have established standardized procedures for our personnel to use to screen, edit, and review the data received for the valuation work and the various special studies and consulting work that might be requested. We work with each client carefully in the process of developing accurate data for actuarial calculations. We incorporate a variety of reasonableness checks and reviews in all of our work, including the peer review process described below.

Rudd and Wisdom places a great deal of emphasis on peer review. This review is accomplished by having one person perform the work and at least one other person check the work required to complete the significant parts of an actuarial study. The significant aspects of an actuarial valuation that would be subject to the peer review process would include data review, technical work, analytical work, actuarial assumptions review, and report writing. For each of these aspects there would be one person performing the work and another person doing detail review or an overview or alternative review. This multi-step peer review process reduces the possibility of error in calculations and drafting and improves the judgment required to select appropriate actuarial assumptions and methods.

For our public plan clients served by Mr. Fenlaw, Mr. Fuller, and Ms. Morris, they review each other's work, as well as any work by anyone else who might provide technical support.

e. External Peer Review of Our Work

Our internal review processes have allowed Rudd and Wisdom public pension actuaries to produce reliable work for our public retirement clients for over 40 years. Other actuarial firms have provided positive audits (external peer reviews) of our public retirement actuarial valuations and experience studies on 25 occasions since 1978. In addition, we often learn from these external peer reviews and get suggestions for improving our services.

Year	Rudd and Wisdom Client	Auditing Firm
1978	Employees Retirement System of Texas	The Segal Company
1982	Texas Municipal Retirement System	The Segal Company
1984	Employees Retirement System of Texas	Milliman & Robertson
1991	Texas Municipal Retirement System	The Wyatt Company
1994	Texas County and District Retirement System	Milliman & Robertson
1994	Lubbock Fire Pension Fund	Buck Consultants
1998	Texas County and District Retirement System	Milliman & Robertson
2000	Austin Police Retirement System	The Segal Company
2004	Corpus Christi Fire Fighters' Retirement System	Gabriel Roeder Smith
2007	Texas Emergency Services Retirement System	Milliman
2008	LCRA Retirement Plan	Milliman
2008	Austin Police Retirement System	Buck Consultants
2008	Lubbock Fire Pension Fund	Gabriel Roeder Smith
2008	Corpus Christi Fire Fighters' Retirement System	Gabriel Roeder Smith
2013	LCRA Retirement Plan	Gabriel Roeder Smith
2014	Corpus Christi Fire Fighters' Retirement System	Gabriel Roeder Smith
2016	Texas Emergency Services Retirement System	Milliman
2018	LCRA Retirement Plan	Gabriel Roeder Smith
2018	Corpus Christi Fire Fighters' Retirement System	Retirement Horizons
2020	El Paso Firemen's & Policemen's Pension Funds	Foster & Foster
2021	Texas Emergency Services Retirement System	Gabriel Roeder Smith
2023	Amarillo Firemen's Relief and Retirement Fund	Gallagher Benefit Services
2023	Lubbock Fire Pension Fund	Gabriel Roeder Smith
2023	LCRA Retirement Plan	Gabriel Roeder Smith
2023	Corpus Christi Fire Fighters' Retirement System	Foster & Foster

Here is a quote from an audit of our work for one of our TLFFRA fund clients:

"We would like to especially commend the current Actuary for presenting an actuarial valuation report that includes three items which reflect significant effort... The Actuary...clearly took the time to make the valuation meaningful and valuable... By including a short sensitivity analysis of multiple expectations, the Actuary shows that future results are not certain, and provides the reader a better overall understanding of the funding process."

f. Valuation Software

i. Actuarial Valuation Software

We presently lease and use ProVal valuation software, which was developed by Winklevoss Technologies, L.L.C. of Greenwich, Connecticut, an actuarial software firm. The research and development on ProVal began in 1987. Not only does the firm maintain and enhance the system, they also provide user training, documentation of new releases, telephone support from actuaries on the ProVal development team, and periodic group meetings for users. The ProVal valuation software is widely used by actuaries. It provides cutting edge technology for running valuations, and we have been using this system since 2002. Key features include:

- a highly intuitive Windows-based interface
- computer code written by actuaries
- flexibility in defining the benefit design features
- flexibility in how data are read, stored, and displayed
- data screening and editing features
- data organizing to facilitate work on subsequent valuations and updates
- linking of data to valuations and projections
- a design that handles a broad range of pension plan types, including contributory public employee pension plans
- flexibility in selecting actuarial assumptions
- ease of producing detailed results for checking
- flexibility in generating supplemental reports, statistical summaries and graphs

ii. Model for Projecting Future Valuation Results

Since 2003, we have included in almost all of our actuarial valuation reports projections of key results for valuations in the next four years following the valuation date in order to help our public clients better understand how both deferred asset losses and deferred asset gains may affect the adequacy of the fund's contribution arrangement in the next two biennial or next four annual actuarial valuations. We have demonstrated this effect based on a variety of scenarios for future investment returns and sometimes for increased contribution rates as well. Our four-year projection model has a number of ways it has proved useful shown below.

- Shows the effect of deferred investment gains and losses from the actuarial value of assets method as they are recognized over the next two biennial valuations or next four annual valuations
- Can be especially helpful following large market increases or decreases
- Shows the effect of various scenarios of market value investment return over the next four plan years following the most recent actuarial valuation date
- Allows recognition of investment experience after the valuation date without changing the basic valuation
- Facilitates planning for the next valuation and managing expectations
- Provides additional information for communicating with the city

These projections have served as an early warning system for a number of our client funds. A fund could have an adequate contribution arrangement as of the valuation date, leading to a possible exploration of benefit increases. However, if the board members are made aware of the possibility of an inadequate contribution arrangement being revealed in the next one or two actuarial valuations as known deferred asset

losses gradually become recognized, they might choose to defer consideration of any benefit increases or begin thinking about ways to address the possibility of an emerging inadequate contribution arrangement in the next one or two actuarial valuations.

g. Education and Consultation Available to Clients

The board members of our public pension clients have busy schedules that make it challenging to include education relevant to their duties as board members. We try to make our reports and presentations understandable and educational. In addition, we welcome questions during our presentations and are available by phone or e-mail to answer questions and discuss issues. There are no charges for phone or e-mail consultations if they are fairly brief and do not require a written report. We also make ourselves available during educational conferences such as the annual TLFFRA and TEXPERS conferences without any charge. We support those conferences by being on their programs periodically. In addition, Mr. Fenlaw developed the Actuarial Matters curriculum for the TEXPERS Basic Trustee Training and provided some input and review in the development of the PRB's initial online Actuarial Matters training module.

Section 2 – Clients and References

Listed on the next page are the public employee plans for which Mr. Fenlaw currently provides professional actuarial services. He works only for public plan clients, all of which are in Texas, and 21 of the 23 are fixed rate plans like the Fund. Of the 23 plans, 20 have biennial actuarial valuations. Almost all of our TLFFRA fund clients have Deferred Retirement Option Plans (DROP). Contact information is shown on this page for four of our firefighter pension clients.

Corpus Christi Fire Fighters' Retirement System

Gracie Flores
Administrator

gracief@ccfirepension.com
(361) 882-1486

Laredo Firefighters Retirement System

Jaime Jasso
Administrator

jaime.jasso@laredofire.com
(956) 717-8018

Lufkin Firemen's Relief and Retirement Fund

Bill Gates
Chairman, Board of Trustees

bgates@cityoflufkin.com
(936) 676-1116

Tyler Firefighters' Relief and Retirement Fund

Jim Mullicane
Administrator (former Board Chairman)

jmullicane2@outlook.com
(903) 245-0111

Client Name	Years Retained	Plan Assets In Millions ¹	Number of Participants ²
<u>TLFFRA Funds</u>			
Amarillo	4	\$218	513
Atlanta	38	4	48
Brownwood	23	5	62
Corpus Christi	38	166	773
Corsicana	13	11	84
Denison	4	20	113
Denton	38	137	310
Galveston	7	49	209
Killeen	53	54	322
Laredo	28	180	619
Lubbock	5	240	760
Lufkin	7	21	134
McAllen	5	53	307
Midland	6	80	430
Port Arthur	4	49	205
Texarkana	4	37	153
Travis Co. ESD No. 6	4	40	102
Tyler	58	75	280
University Park	5	11	72
<u>Other Public Plans</u>			
El Paso Firemen and Policemen's Pension Fund	7	1,664	3,967
Texas Emergency Services Retirement System	20	124	9,183
City of Galveston Employees Retirement Plan for City Employees	8	59	968
Guadalupe-Blanco River Authority Retirement Plan	23	32	206

¹ Market value of assets at the plan year end in 2022.

² Number of participants in the most recently completed actuarial valuation.

Section 3 – Services, Timing, and Cost

a. Proposed Scope of Services

Rudd and Wisdom, Inc. is an established actuarial firm capable of providing the range of professional actuarial services that you require. Mr. Fenlaw and Ms. Morris will be readily accessible to the Board of Trustees and the plan administrator throughout the year by phone and by e-mail for any desired consultation.

Actuarial Valuation Services

Biennial actuarial valuations as of December 31, 2023 and December 31, 2025 will be conducted as part of the four-year engagement. Services to be included as part of each actuarial valuation are as follows:

1. We will make a written report of an actuarial valuation as of December 31 based on benefits and contributions then in effect. Our actuarial valuation will include our opinion of the adequacy of the Fund's contribution arrangement usually expressed as one of the following three scenarios:
 - a. Scenario 1 – The Fund has an adequate contribution arrangement, and we can approve benefit improvements with either the present rate of contributions by the firefighters and by the city or an assumed contribution rate that has been approved by the firefighters or by the city or both.
 - b. Scenario 2 – The Fund has an adequate contribution arrangement, but we cannot approve benefit improvements with the present rate of contributions by the firefighters and by the city or an assumed contribution rate that has been approved by the firefighters or by the city or both.
 - c. Scenario 3 – The Fund has an inadequate contribution arrangement, and we recommend either (i) an increase in contributions or a decrease in benefits to restore an adequate contribution arrangement, or (ii) no change in contributions or benefits at this time and a review of the Fund's actuarial condition at the time of the next actuarial valuation.
2. We will include in our valuation report projections of key results for valuations in the next four years in order to help the board get an idea of how both deferred asset losses and deferred asset gains may affect the adequacy of the contribution arrangement in the next four years. We will demonstrate this effect based on a variety of scenarios for future investment returns and sometimes for aggregate payroll growth as well.
3. We will prepare individual benefit statements showing estimated retirement benefits for each firefighter who is a member of the Fund. These statements will show the estimated benefits for the present plan.
4. During the valuation process, we will meet by conference call with the Board of Trustees to discuss the actuarial assumptions and methods as well as any proposed

- plans for special studies. Our review of actuarial assumptions for each valuation includes a review of the Fund's experience. After our report is completed, we will discuss and review the results of the valuation at a meeting in Denison with the Board of Trustees and, if requested, at a meeting with the firefighters on the same day as the board meeting.
5. If we are able to authorize benefit improvements (Scenario 1.a. above), then we will perform special studies requested by the board to determine what plan amendments (changes in benefits, benefit eligibility requirements and contributions) we can approve, based on the requirements of Section 7 of TLFFRA.
 6. If the Fund has an inadequate contribution arrangement (Scenario 1.c. above), we will work with the board to determine special study plan amendments to (a) increase contributions by the firefighters and/or the city, or (b) decrease benefits, while protecting vested accrued benefits, or (c) a combination of both (a) and (b) that are required for the Fund to restore an adequate contribution arrangement.
 7. In connection with Item 5 or 6, we will prepare a draft of a ballot for use in the firefighters' election of proposed plan amendments for review and discussion by the board. We will prepare a final ballot after consultation with the board. If the board prefers to have their attorney draft the ballot, we will be available to review the draft with the attorney and the board if the board requests it.
 8. If there are any plan amendments, other than the plan amendments described in Items 5 and 6 above, which the board wants to present to the firefighters in an election, we will either draft the language describing the change on the ballot for use in the firefighters' election or review the language drafted by the board's attorney. We will follow the process described in Item 7.

Actuarial Assumptions

As a part of each actuarial valuation, we review the actuarial assumptions used in the prior actuarial valuation. The investment return assumption is reviewed using the building block approach that includes several asset allocations, assumed real rates of return for each asset class, an assumed rate of investment-related expenses, and an assumed rate of inflation, with all assumptions for the long-term future. Our economic assumptions are influenced both by long-term historical experience and by future expectations of investment consultants and economists, but we select and recommend the economic assumptions and discuss them with the board before completing the actuarial valuation.

Once we have provided at least one actuarial valuation, we review the termination and retirement experience since the prior valuation and periodically look back at the experience over several years. We also periodically review the average salaries by years of service to get insights into the promotion, step, and longevity compensation patterns for the purpose of reviewing our compensation increase assumption. For the mortality assumptions, we use an appropriate published mortality table with projections for improvement generationally. We are guided in our review and selection of assumptions by the relevant actuarial standards of practice. As a result of our review, we select actuarial

assumptions we consider to be reasonable and appropriate estimates of future experience for the Fund for the long-term future.

Revisions to the Plan Document

If the firefighters elect and the board approves amendments to the plan, we will provide a draft of the amended plan for the review and approval of the board and the board's attorney. Our practice is to provide both a "mark-up" version of the plan draft in legislative format (new plan language is underscored and deleted language is lined through) that allows you to see all changes made to the plan document, as well as a "clean" version of the plan draft. If the board prefers to have their attorney draft the plan document, we will be available to review the draft and discuss the changes with the attorney and the board if the board requests it.

GASB 67 and 68 Annual Reports

In separate annual reports, we will prepare actuarial information necessary for the Fund and the city to comply with accounting standards of the Governmental Accounting Standards Board (GASB) (Statement No. 67 for the Fund's audited financial report and Statement No. 68 for the city's audited financial report).

PRB Required Forms

If requested by the board, we will prepare one of the annually required forms for the Pension Review Board, the PRB-1000.

Other Actuarial and Consulting Services

In addition to the services described above, Rudd and Wisdom, Inc. can provide other actuarial and consulting services. Services such as the ones described below are sometimes provided for other Texas local firefighter pension plans.

1. Calculation of benefits or review of your calculation of benefits and determination of the taxable and non-taxable part of the lump sums and monthly benefits. Examples include calculation of service retirement, disability retirement and optional benefits.
2. Calculation of benefits payable to the retiree and the alternate payee based on a QDRO (qualified domestic relations order).
3. Consultation with members of the board and staff regarding interpretation of plan provisions.
4. Cooperation with the actuarial firm engaged by the sponsoring city to perform an actuarial audit as required by Section 802.1012 of the Texas Government Code and with the board in responding to the auditing actuary's preliminary report.
5. Comparison of your contributions and benefits with the contributions and benefits of other selected firefighter retirement funds.
6. Review of specific domestic relations orders to determine if they are qualified.

7. Consultation with Fund's attorney, auditor, investment consultant or money managers.
8. Attendance at meetings with members of city council or city staff to discuss issues of concern.
9. Attendance at other meetings with employee groups, Texas Pension Review Board, etc.

We will provide these other actuarial and consulting services if we are requested to do so by the board. Our fees would be in accordance with Section 3c of this proposal.

b. Proposed Timing of Services

We suggest the following timeline for completing the December 31, 2023 actuarial valuation and special studies:

March 2024 - Rudd and Wisdom, Inc. provides board an "Actuarial Information Request" that describes the information needed to make the actuarial valuation and special studies, if any.

May 2024 - Board will complete and furnish Rudd and Wisdom, Inc., all the information described in the "Actuarial Information Request".

June 2024 - July 2024 - Rudd and Wisdom, Inc. will (1) meet with the board of trustees by conference call to discuss proposed plans for special studies, if any, and to discuss actuarial assumptions and methods for the actuarial valuation and (2) complete the actuarial valuation and special studies, if any.

August 2024 - Rudd and Wisdom, Inc. will present the report at a meeting of the board of trustees in Denison and, if requested, of the firefighters. The report will be sent in advance of the meeting for review by the board of trustees before the meeting. The individual benefit statement for each firefighter will be provided for the meeting.

September or October 2024 - Board will hold required firefighter election on plan amendments, if any. Board will notify Rudd and Wisdom, Inc. of the firefighters' election results.

November 2024 – If requested, Rudd and Wisdom, Inc. will provide the board a draft of the amended plan elected by the firefighters for approval by the board of trustees at their next meeting. Alternatively, we will be available to review a draft of the amended or restated plan prepared by the Fund's attorney if requested by the board.

We do our best to be somewhat flexible on the timetable for completion of the valuation. Our goal is to present the valuation report within 90 days of the date of receiving all of the information requested for the valuation, including any answers to follow-up questions. Please let us know if you would like to discuss a different timetable.

We will provide separate reports for the information necessary for the Fund and for the city to comply with the requirements of GASB Statement No. 67 and Statement No. 68, respectively. The GASB 67 reports will be provided each year shortly after we receive the

final draft of the statement of changes in assets from the Fund's annual financial report from the Fund's auditor. The GASB 68 reports will usually be provided in December each year.

c. Cost Proposal (Proprietary)

Fee for Biennial Actuarial Valuations

December 31, 2023 valuation: \$18,750

December 31, 2025 valuation: \$19,900

These fixed fees include four-year projections of the UAAL amortization period under six scenarios, a reconciliation of the change in the amortization period since the prior actuarial valuation, individual employee benefit statements for each active firefighter, a meeting with the board by conference call to discuss assumptions, presentation of the actuarial valuation at a board meeting in Denison and, if requested, a presentation of the highlights of the actuarial valuation at a meeting of the firefighters following the board meeting. The fees are all inclusive (no additional charges for travel, lodging, meals, and any out-of-pocket expenses).

Other Required Actuarial Services

GASB 67 report for Fund:	plan year ending 12/31/2023	\$2,100
	plan year ending 12/31/2024	\$2,100
	plan year ending 12/31/2025	\$2,200
	plan year ending 12/31/2026	\$2,200
GASB 68 report for City:	fiscal year ending 9/30/2024	\$2,100
	fiscal year ending 9/30/2025	\$2,100
	fiscal year ending 9/30/2026	\$2,200
	fiscal year ending 9/30/2027	\$2,200

Billing Practice and Engagement Contract

Our billing practice is to send bills the month after the completion of the actuarial valuation, of each of the GASB 67 and 68 reports, and of any other requested service. We would consider our proposal, along with the signed acceptance page, as the contract for the engagement. There would be no retainer letter or other document that we require.

Other Actuarial Services that Might Be Requested

- **Special Studies**

For each special study requested by the board, our fee would be either (a) the fee based on actual time and hourly rates or (b) an agreeable fixed or maximum fee.

- **PRB-1000 Form**

The Pension Review Board has an annual requirement to complete the PRB-1000 form which reports on actual and assumed investment rates of return. Our fixed fee would be \$800 for 2024, \$825 for 2025, \$850 for 2026, and \$875 for 2027.

- **Benefit Calculations**

For individual benefit and QDRO calculations, our fee would be based on the actual time required and the hourly rates of the personnel involved, but the fee would not exceed \$715 for 2024, \$775 for 2025-2026, and \$825 for 2027.

- **Other Requested Services**

For other services, our fee would be based either on the actual time required and the hourly rates of the personnel involved or on agreeable fixed or maximum fees for specific projects that are requested by the board.

- **Consulting by Phone and E-Mail**

For consulting by phone or e-mail there would be no charges if the consulting is related to any services covered by a fixed fee or if the conversations or e-mail exchanges are fairly brief and do not require a written report.

Hourly Rates for Additional Services Not Based on Fixed Fees

Category of Staff	2024 Rate	2025-2026 Rate	2027-2028 Rate
Principal Actuary	\$395	\$420	TBD
Support Actuary	295	315	TBD
Actuarial Analyst	240	255	TBD
Administrative Support	110	120	TBD

d. Data and Communications Security

Information to be Provided by the Board

1. For the biennial actuarial valuations, we have an established procedure of sending a data request letter and uploading onto our secure server the census data used in the prior actuarial valuation for current clients. The data request letter for actuarial valuations would include the census data format and instructions for updating the data to reflect changes since the prior actuarial valuation. For the first actuarial valuation for new clients, we describe the data we need and provide the format we desire. In addition, we request the historical data used by the prior actuary. The data request letter also has a list of other information we request for each actuarial valuation.
2. For each annual GASB 67 report, all we need is the final draft of the statement of changes in assets for the most recent audited financial report. For each annual GASB 68 report, we like to receive the most recent audited financial report.

Data and Communications Security

All file transfers to Rudd and Wisdom are done through ShareFile. Data sent through this service are encrypted using 256-bit SSL (Secure Sockets Layer). This is the same security used by banks and many e-commerce sites such as Amazon.com. SSL works by establishing a private connection, and each end of the connection is authenticated before transfer begins. Data traveling between these endpoints can only be decrypted by the intended recipient by using unique decryption keys. Files uploaded to Rudd and Wisdom servers are saved with 256-bit AES encryption. All data are backed up to tape using AES256 bit encryption.

We have a SonicWall model NSA 2600 firewall with antivirus and anti-spyware protection built in. Our email server, which is also protected by the firewall, has its own antivirus software built in. All of our desktop computers and servers are further protected using Carbon Black "Cb Defense" software. Furthermore, all internet traffic going in and out of Rudd and Wisdom is monitored by Dell Secure Works. We are notified immediately of any suspicious activity. Client data backed up to tape is stored in a secure facility offsite at SafeSite. We do not take data off the network and store it on laptops or thumb drives that have the ability to be taken off site unless those drives are encrypted. Files that contain sensitive information are stored in directories that are accessible only to members of the staff that are authorized to work on them.

Section 4 - Resumes

Mark R. Fenlaw – Co-Principal Actuary

Mr. Fenlaw is a graduate of the University of Texas at Austin with a Bachelor of Arts degree with Honors in Mathematics and a Master of Business Administration degree in Actuarial Science. He is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary. Mr. Fenlaw has experience in actuarial consulting since joining Rudd and Wisdom in 1973. Most of his experience has been on public pension plans.

For over 25 years his public plan experience was primarily with large statewide retirement systems in Texas. Since 1999, he has provided actuarial services for a number of the local firefighter pension funds under the state law known as TLFFRA. Other public plan clients include the El Paso Firemen and Policemen's Pension Fund, the Texas Emergency Services Retirement System, the Lower Colorado River Authority Retirement Plan, and the Guadalupe-Blanco River Authority Retirement Plan. Mr. Fenlaw is a principal of the firm. His experience includes:

- Performance and review of actuarial valuations of pension assets and liabilities, preparation of actuarial valuation reports, and presentations of those reports to boards of trustees of public pension plans.
- Development of a projection model for public pension plans to give board members a better understanding of how deferred asset gains and losses may affect the adequacy of the contribution arrangement in the next four years.
- Performance of studies to determine the impact and cost of potential benefit increases and other plan amendments for public pension plans.
- Preparation of GASB 67 and 68 reports for governmental pension plans.
- Review of and response to governmental accounting preliminary views and exposure drafts of proposed statements for public pension plans and sponsors.
- Experience studies or reviews for public retirement systems to review and develop actuarial assumptions.
- Development of the Actuarial Matters curriculum for the TEXPERS Basic Trustee Training.
- Preparation of actuarial analyses of proposed legislation for public retirement systems governed by state law.
- Analysis and development of potential plan amendments, working with the legal counsel of public retirement systems.
- Analysis of the benefit design, level of benefits, cost patterns, and plan objectives of public retirement systems.

Brandon L. Fuller – Co-Principal Actuary

Mr. Fuller is a graduate of Concordia University with a Bachelor of Science degree in Mathematics. He is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary. He has performed work with both public and private employers since joining Rudd and Wisdom in 2009. Mr. Fuller is a principal of the firm.

In the last six years, he has worked with Mr. Fenlaw on three actuarial audits for public employee pension plans, including a TLFFRA fund; three experience studies for public pension plans, including a TLFFRA fund; and several TLFFRA fund actuarial valuations and special studies. His other experience includes:

- Defined Benefit Plan Consulting
 - Actuarial valuation and certification of ERISA minimum required contributions
 - Actuarial valuation for accounting compliance under GASB Nos. 67/68, FASB accounting codification requirements and statutory statement of accounting principles (SSAP) No. 102
 - Plan design and plan amendment/plan document drafting
 - Forecasts
 - Government forms and notices, nondiscrimination and other compliance testing
 - Benefit calculations and associated election forms and paperwork
 - Design and administration of pension portal offering web access to benefits and participant benefit statements
- Other Post-Employment Benefits (OPEB) Plan Consulting
 - Actuarial valuation for accounting compliance under FASB accounting codification requirements
 - Actuarial valuation for accounting compliance under Governmental Accounting Standards Board (GASB) Statement Nos. 43, 45, 74 and 75
 - Plan design

Rebecca B. Morris – Support Actuary

Ms. Morris is a graduate of the University of Texas at Austin with a Bachelor of Science degree in Mathematics. She is an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary. Ms. Morris has performed actuarial work with both public and private sector pension plans since 1988. Prior to joining Rudd and Wisdom in 1995, Ms. Morris was employed by an employee benefit consulting firm. Her experience includes:

- Performance and review of actuarial valuations of pension assets and liabilities and related analysis for public pension plans exclusively since 1995.
- Presentations of actuarial valuation reports to boards of trustees of public pension plans.
- Project management responsibilities for the coordination of actuarial valuations.
- Performance of retirement benefit plan modification studies and related special studies.
- Preparation of GASB 67 and 68 reports for public pension plans.
- Review of domestic relations orders to determine qualified status under applicable Government Code and preparation of model qualified documents.
- Experience in pension plan administration, including benefit calculations and individual benefit statement production.
- Responsibility for maintaining client contact and assisting with technical issues via telephone conversations, e-mail and other written correspondence and onsite meetings.

Appendix A: Pension Portal Information

Rudd and Wisdom Pension Portal

R&W Rudd and Wisdom, Inc.

Login ?

User ID

Password

Sign In

Forgot user ID?
Forgot password?
Register as a new user?

✓ Adobe Reader is installed.
✓ Internet browser (Google Chrome) is supported.

Welcome to simplified pension administration

Real-time pension calculations

Electronic document management

Simplified benefit administration

Secure online access

How It Works

The Rudd and Wisdom Pension Portal is a simple and secure way to provide pension plan participants with the information they need to plan for retirement. No additional hardware or software is required by users. Users can simply log in from any web browser.

Rudd and Wisdom licenses industry leading software which includes functionality for data storage, data administration, benefit calculations/projections and a web-based pension portal. We program and maintain the system and all census information is stored locally on our servers under our firewall.

In order to set up the pension portal, we import all participant data, program your plan's specific plan provisions into the calculation engine and test the calculation system rigorously.

As part of the setup process, we work with the you to develop a process to periodically update the participant data within the system. This can be done as frequently as desired – bi-weekly, monthly, annually, etc.

Once the setup is complete, participants will have access to the pension portal with the ability to view their census information, run calculation estimates and view various pension-related documents. Plan administrators will also have access to the portal and will have the ability to view/edit census information for all participants, run calculations for all participants, view various pension-related documents and view listings/reports of the census information stored in the system.

Rudd and Wisdom provides on-going support and administers the periodic data updates.

Some key components of the pension portal functionality are highlighted on the following pages.

Benefit Information at a Glance

Once the participant logs in, the landing page shows a snapshot of the participant's current benefit amounts and personal information. You will have the ability to customize what a participant sees on the landing page – you can show as much or as little information as desired.

The screenshot displays the 'Anytown Pension Portal' interface for user Allison, Barton. The page features a navigation bar with 'Home Page' and a dropdown menu. The main content area is titled 'Participant Pension Summary' and includes several sections:

- BENEFIT SUMMARY:**
 - Your estimated current accrued benefit: \$3,744.78/month
 - You are estimated to be 100% vested in your pension.
 - It is estimated that you can retire immediately with a pension of: \$3,599.11/month
- PERSONAL INFORMATION:**
 - Date of Birth: 1/5/1955
 - Normal Retirement Date: 2/1/2020
 - Hire Date: 1/5/1998
 - Participation Date: 1/5/1998
 - Estimated Credited Service: 21.4167
 - Estimated Vesting Service: 21.4167
- BENEFICIARY INFORMATION:**
 - Name: Susan Allison
 - Birth Date: 1/5/1960
- PORTAL LOGIN INFORMATION:**
 - Email Address: BAllison@anytown.gov
 - Last Logon: 6/10/2019 at 9:52:34 AM
- ADDRESS INFORMATION:**
 - 1718 General Lee Avenue
 - Austin, TX 78717

A prominent green button labeled 'View Latest Benefit Statement' is located below the summary sections. At the bottom of the page, a 'Pension Newsfeed' section contains a welcome message: 'Welcome to your new Pension Portal! Live as of 1/1/2019'.

Pension Newsfeed

You have the ability to easily broadcast information to the pension plan population via the Pension Newsfeed.

View and Edit Personal Information

The portal can be configured to provide participants with the ability to view their information that is stored in the system and can even be set up to allow them to modify some of this information. For instance, a plan sponsor may wish to allow participants to update spousal information.

The screenshot displays the 'Anytown Pension Portal' interface. At the top, it shows the user 'Allison, Barton (Participant)' and navigation options like 'Contact Us' and 'Logout'. The main header includes the 'Rudd and Wisdom, Inc.' logo and the text 'Participant Data'. Below this, there are tabs for 'Basic Data', 'Beneficiary', 'Address', and 'Amounts'. The 'Participant Name' section contains input fields for 'First Name' (Barton), 'Middle Name/Initial', 'Last Name' (Allison), and 'Suffix'. The 'Other Information' section includes a 'Date of Birth' field (1/5/1955) and a 'Gender' section with radio buttons for 'Male' and 'Female'. A question mark icon is present in the top right of each section.

Create Customized Benefit Calculations

Participants have the ability to run estimates of their pension benefits at different points in time. The system can be configured to allow participants to input a salary increase assumption in order to project their compensation to a future calculation date.

The screenshot shows the 'Anytown Pension Portal' interface. At the top, it displays the user's name 'Allison, Barton (Participant)', a 'Contact Us' link, a phone number '555.555.5555', and a 'Logout' button. The main header includes the 'Anytown Pension Portal' title, the 'R&W' logo for 'Rudd and Wisdom, Inc.', and a breadcrumb trail: 'Town of Anytown > Allison, Barton (Active)'. Below this is a green bar with a calculator icon and the text 'Benefit Calculation'. The main content area contains three form sections, each with a question and a help icon (question mark):
1. 'What type of calculation would you like to complete?' with a dropdown menu showing 'Benefit Estimate'.
2. 'What is your actual or expected last day of employment?' with radio buttons for 'Fixed Age' (set to 65) and 'Fixed Date'.
3. 'When do you want to begin receiving pension benefits?' with radio buttons for 'Fixed Age' (set to 65) and 'Fixed Date'.
At the bottom left, there is a copyright notice: '© 2019 PensionSoft Corporation, LLC'. At the bottom right, there is a green 'Calculate' button.

The results of these calculations are shown on a PDF document that can be printed and/or saved. The PDF document is fully customizable and Rudd and Wisdom will work with you to develop a document that suits all of your needs. Below is an illustration of a sample calculation PDF document.

PENSION BENEFIT ESTIMATE FOR JANE SAMPLE

Projected Pension Benefit at Estimated Annuity Starting Date of October 1, 2027

IMPORTANT: The Plan Sponsor reserves the right to correct any errors in the calculation of participant's Pension Benefit and Benefit Options. If it is determined at any time that the information provided in this Pension Benefit Estimate conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Information Used in Benefit Calculation

Date of Birth:	09/29/1962	Age Points at DOT:	65.005479
Joint Annuitant Date of Birth:	09/29/1959	Vesting Service (Points) at DOT:	40.049315
Date of Hire:	09/13/1987	Total Points at DOT:	105.054794
Adjusted Start Date:	09/13/1987	Percent Vested:	100%
Date of Termination (DOT):	10/01/2027	Subject to QDRO:	No
Annuity Starting Date (ASD):	10/01/2027	Assumed Annual Salary Increases:	3.00%
Normal Retirement (Age 65) Date (NRD):	10/01/2027	Final Average Earnings at DOT:	\$83,051.64

Vested Single Life Annuity (5-Year Certain) Payable Monthly at the Later of NRD and ASD: \$3,880.52

Benefit Options Available

- Single Life Annuity (5-Year Certain):** This payment form provides level monthly payments of **\$3,880.52** for at least five years (to you, or to your spouse or beneficiary if you die before receiving five years of benefits) and continuing thereafter for your life. No benefits will be payable to your spouse or beneficiary after your death unless you die prior to receiving five years of benefits.
- Joint and Survivor Annuity:** This payment form provides monthly payments for your life, with a percentage (50%, 75% or 100%, as elected by you) of the monthly payment you received during your life continuing after your death to your Joint Annuitant for his or her life.

Percentage	Retiree Amount	Joint Annuitant Amount	Plan Conversion Factor
50%	\$3,586.38	\$1,793.19	0.9242
75%	\$3,412.92	\$2,559.69	0.8795
100%	\$3,255.37	\$3,255.37	0.8389

- Lump Sum:** This payment form provides a one-time lump sum cash payment of the present value of your vested benefit equal to N/A. This option is not available if the lump sum is greater than \$10,000.

(See page two of this estimate for additional details)

PENSION BENEFIT ESTIMATE FOR JANE SAMPLE

Projected Pension Benefit at Estimated Annuity Starting Date of October 1, 2027

Estimated Monthly Pension Amount by Age

You may wish to delay your retirement beyond October 1, 2027. The graph below illustrates the effect on your pension benefit of delaying your retirement over the next 10 years. The graph shows estimated monthly benefits payable as a Single Life Annuity (5-Year Certain) based on the following assumptions:

- You continue employment until each age, and
- Your future earnings are estimated based on your current earnings as increased by the Assumed Annual Salary Increase percentage of 3.00%.

Age at Termination of Employment	Estimated Monthly Pension Amount
65	\$3,881
67	\$4,654
69	\$5,598
71	\$6,752
73	\$8,161
75	\$9,879

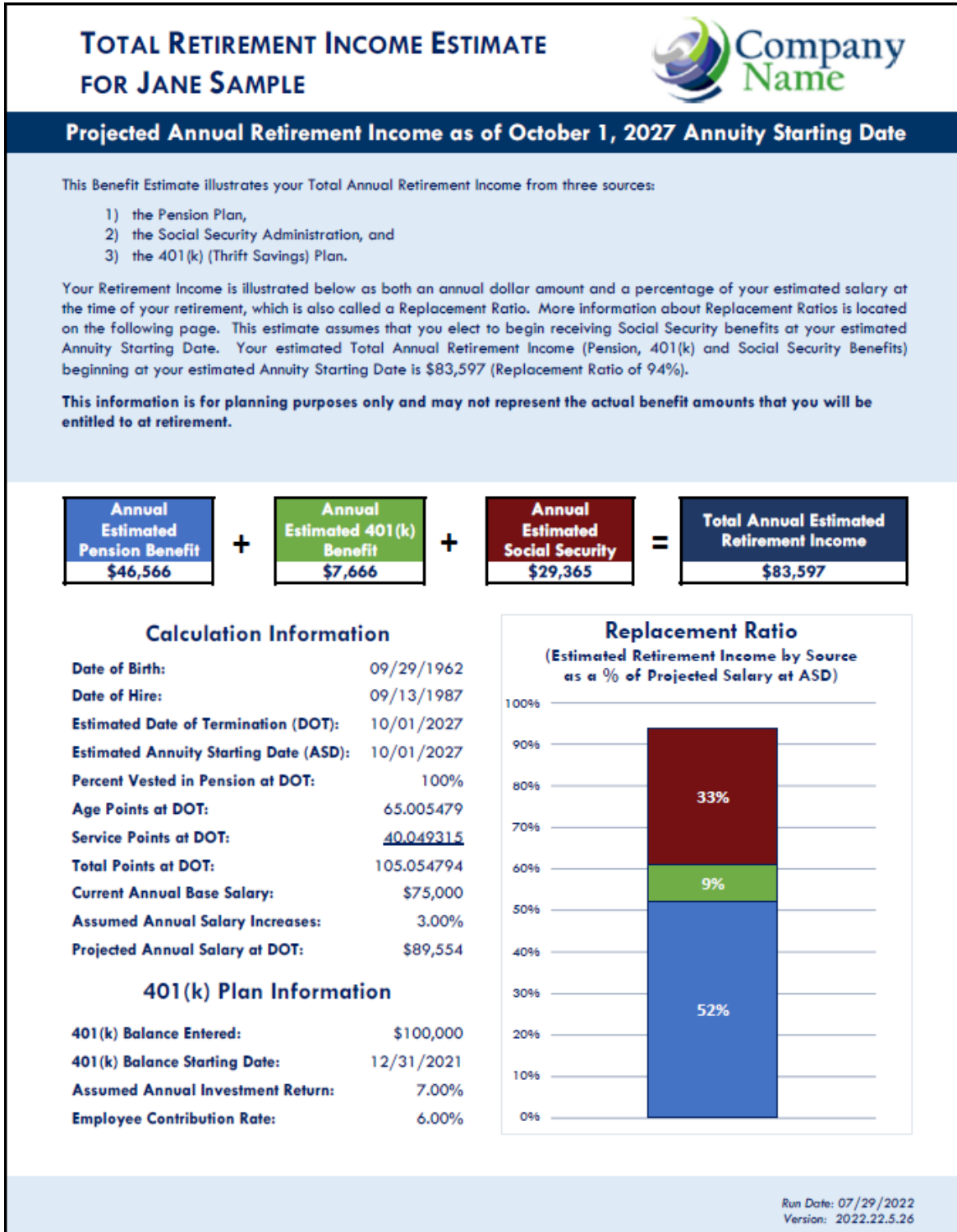
Important Information about this Estimate

The material contained within this estimate is provided for informational purposes. While this estimate is intended to be accurate and up-to-date, it is possible that the information used to generate the estimate may be incomplete. Furthermore, you should be aware that the information presented does not constitute investment or other advice. In no event shall Rudd and Wisdom, Inc. be liable for any loss of any kind (including, but not limited to, direct, indirect, consequential or special loss or loss of profit) arising out of, or in connection with, any use of this estimate. Rudd and Wisdom, Inc. disclaims all warranties, both express and implied, with regard to the information contained in this estimate. The estimated benefits generated are based on (as applicable): (a) the employee data provided by the employer, (b) assumptions with respect to your future compensation, your future service and future increases to the Internal Revenue Code (the Code) Sections 401(a)(17), 402(g) and 415 limits, (c) projected increases to the Social Security wage and benefit limits and (d) current pension plan provisions. However, the actual benefits payable from the pension plan will be based upon the applicable employee data and plan provisions existing at the time benefits become payable. In the event there is any discrepancy between the information provided by this estimate and the benefits to which you are entitled, the terms of the pension plan will apply. Furthermore, the estimates presented herein may not fully reflect certain provisions of the Code. For example, all pension benefits payable to participants who work beyond normal retirement age, including but not limited to the minimum distribution rules for benefits commencing after a participant's Required Beginning Date, may not be fully reflected in the estimate. Final benefits payable from the pension plan will fully reflect all applicable sections of the Code and any applicable regulations.

Page 2 of 2
 Run Date: 07/29/2022
 Version: 2022.22.5.26

Total Retirement Picture

The portal can also be configured to project defined contribution and social security benefit information to provide participants with a more complete picture of their retirement income. Below is a sample Total Retirement Illustration. This document is also fully customizable.



Access to Pension Documents

Participants have the ability to view, save and print various pension documents. Participant-specific documents can be stored on the portal to allow ease of reference in the future. The Summary Plan Description can be made available to participants through the portal as well.

The screenshot displays the Anytown Pension Portal interface. At the top, it shows the user as Allison, Barton (Participant) with contact information and a logout option. The main header includes the R&W logo for Rudd and Wisdom, Inc. Below this, a navigation bar shows the user's location (Town of Anytown) and name (Allison, Barton (Active)), with a dropdown menu for Pension Documents. The main content area is divided into two sections: Participant Documents and Company Documents. Each section contains a table of documents with columns for Description, Date, Type, Access, and Actions. A checkbox for 'Display grouped results' is present below each table.

Participant Documents				
Description	Date	Type	Access	Actions
Portal Calculation	02/13/2019 12:46 PM	Internet Calculation		
01/01/2019 Benefit Statement	01/30/2019 10:50 AM	Benefit Statement		
01/01/2018 Benefit Statement	01/30/2019 10:48 AM	Benefit Statement		
01/01/2017 Benefit Statement	01/30/2019 10:46 AM	Benefit Statement		
01/01/2016 Benefit Statement	01/30/2019 10:44 AM	Benefit Statement		

Display grouped results

Company Documents				
Description	Date	Type	Access	Actions
SPD	01/23/2019 09:03 AM	SPD		
Working Doc	01/23/2019 09:02 AM	Plan Document		

Display grouped results

Reporting

Plan administrators have the ability to download reports listing census information stored in the system. These reports include real-time, up-to-date information and are fully customizable. Information can be quickly downloaded to an Excel spreadsheet or CSV file at the click of a button. Rudd and Wisdom will work with you to set up reports that meet your reporting requirements. Examples of typical reports include, but are not limited to:

- Lists of participants by category; Active, Retired, Vested Terminated, etc.
- Lists of participants that have a benefit subject to a QDRO
- Lists of participants currently eligible for retirement
- Lists of participants that are vested or not vested

The screenshot shows the Anytown Pension Portal interface. At the top, the user is identified as 'User: Administrator, Jane (Plan Sponsor)'. Navigation links include 'Contact Us', '555.555.5555', and 'Logout'. The main header displays 'Anytown Pension Portal' and the 'R&W Rudd and Wisdom, Inc.' logo. A teal navigation bar contains a 'View Listings' dropdown menu. Below this, a table lists four report categories, each with a description and download icons for Excel and CSV files.

Name	Description	Excel	CSV
Actives	List of current active participants		
Member Address List	List of member addresses		
Participants In Pay Status	Listing of participants currently receiving benefit payments		
Vested Terminated Participants	List of vested terminated participants entitled to a future benefit		

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