MassMutual | Massachusetts Mutual Life Insurance Company

Actuarial Valuation Report

for

Lenawee County Board of Commissioners Retirement Income Plan

as of

January 1, 2019

Contract Number: PF 473

Massachusetts Mutual Life Insurance Company (MassMutual), 1295 State Street, Springfield, MA 01111-0001 and its subsidiaries: C.M. Life Insurance Company and MML Bay State Life Insurance Company, 100 Bright Meadow Boulevard, Enfield, Connecticut 06082-1981.

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Actuarial Certification

I have reviewed the calculations performed for this report. They are based on the participant data provided by Lenawee County Board of Commissioners, the plan provisions summarized herein, and asset information provided by MassMutual. While I have not independently audited the participant data I have checked it for reasonableness and believe it is consistent and comparable with data used in prior valuations.

Each prescribed assumption was applied in accordance with applicable actuarial standards and practices. Each other actuarial assumption is reasonable, in my opinion, taking into account the experience of the plan and reasonable expectations. All calculations were performed using generally accepted actuarial principles and procedures. To the best of my knowledge, the results presented in this report are complete and accurate and are consistent with all applicable laws.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

May 17, 2019

Kevin V. Osinski, ASA, EA, MAAA
Enrolled Actuary No. 17-06368

Date

Executive Summary

This Actuarial Valuation Report is submitted in conjunction with the January 1, 2019 plan anniversary and reflects the funded position of the plan as of that point in time. This Executive Summary and the pages that follow provide details regarding the determination of your contribution requirement.

Analysis and Commentary

As of January 1, 2019 the Plan is 76% funded for benefits accrued to date, valued at an interest rate of 7.00%. The Employer's contribution cost for the 2019 Plan Year is $1,666,866, or about 38% of salaries of employees under normal retirement age. The contribution cost represents the sum of the benefit accrual cost, plan expenses and 20-year amortization of the unfunded liability plus interest, less expected employee contributions. The cost for the 2018 Plan Year was $1,115,861, or about 24.61% of salaries of employees under normal retirement age (this amount did not include plan expenses or interest adjustment). The increase in contribution cost was mostly due to poor asset performance at the end of 2018.

The interest rate to value the liabilities was changed from 7.25% (used for the 2018 valuation) to 7.00% for 2019. Similarly, the mortality table was changed from the RP 2014 mortality table with MP-17 generational projection scale to the RP 2014 mortality table with the MP-18 generational projection scale. As a result, the liability increased by $1,918,905 for changes in assumptions. The changes in assumptions were implemented to better reflect the expected rate of return on assets and latest Society of Actuaries mortality rates.

In addition, the contribution calculation was changed to include a load for annual expenses and interest. As a result, the contribution amount increased by $101,367. The remainder of the increase in contribution from 2018 to 2019 was due to asset performance significantly lower than expected and the decrease in the interest rate assumption from 7.25% to 7.00%.

For 2018, the return on Market Value of Assets was approximately -6.82%. In 2018, a 5-year smoothing method with phase-in was adopted to determine an Actuarial Value of Assets used to calculate the annual funding amount. For 2019, 20% of the 2018 Market Value asset loss is recocognized in the determination of the Actuarial Value of Assets (see page 14 of this report). In each successive year, the excess return on the market value of assets over the assumed rate of return is recognized over 5 years. The expected return on assets for 2018 was 7.25%. Since the Actuarial Value of assets achieved a rate lower than 7.25%, the Plan had an actuarial loss for 2018 (see page 9 of this report).

If you have any questions or would like any additional information, please do not hesitate to call.

Respectfully submitted,

May 17, 2019

Kevin V. Osinski, ASA, EA, MAAA
Consulting Actuary
1-(800)-349-8844, Ext. 22252

Date

May 17, 2019

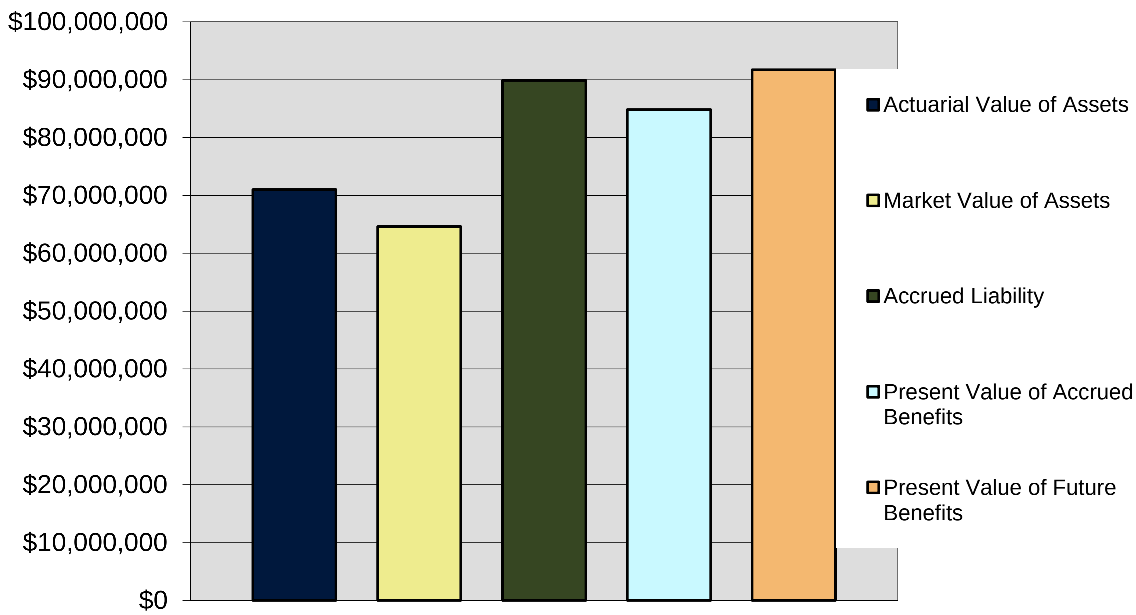
Suzanne Sheehan
Actuarial Analyst
1-(800)-349-8844, Ext. 54430

Date

Measures of Plan Liability and Assets

		Accrued Liabilities		Present Value of Accumulated Benefits		Present Value of Future Benefits
Active	$	33,871,861	$	28,809,621	$	35,700,695
Terminated Vested		3,200,015		3,200,015		3,200,015
Retired		49,303,144		49,303,144		49,303,144
Disabled Receiving Benefits		889,998		889,998		889,998
Opt-Out Employees		2,607,875		2,607,875		2,607,875
Total	$	89,872,893	$	84,810,653	$	91,701,727

Actuarial Value of Assets:	$	71,026,516
Market Value of Assets:	$	64,623,016



Measures of Plan Liability and Assets

Liability Measurement

Before comparing and contrasting different measures of Plan liability, it is first necessary to briefly discuss how liability is measured. In order to measure any pension plan liability, assumptions must be made pertaining to what may happen in the future. Two important assumptions are the interest rate and the mortality assumptions.

The interest assumption determines the time-value of money. In other words, it determines how much is needed today to grow to a given amount at some time in the future. A pension plan's liability consists of promises to pay benefits at some time in the future, so a measure of that liability is how much money is needed today to provide for those promised benefits in the future.

The mortality assumption predicts how long a participant will live. Since retirement benefits are generally paid for the participant's life, the mortality assumption predicts how long retirement benefits will be paid.

For some purposes, the value of annuities that have been purchased for non-highly compensated employees must be included in the liability measurement.

Asset Measurement

Actuarial Value of Assets is the asset value used in the determination of the plan's contribution requirements, maximum tax-deductible limits and the plan's funded status. It is either equal to the Market Value of Assets or an average of market values. Please see the Funding Methods section of this Report for a description of the method used to determine the Actuarial Value of Assets.

Either value includes contributions that have been made after the valuation date for the prior Plan Year.

Present Value of Future Benefits

This is the liability associated with the promise to pay the benefits that participants will be entitled to assuming they work until retirement. Of the four measures of liability discussed here, this is typically the largest because it is based on projected benefits. In other words, it includes not only benefits that have been accrued to date, but also benefits that are expected to be earned in the future. The interest and mortality assumptions are chosen by the plan actuary. The interest assumption is a reasonable long-term expectation of future asset returns given how plan assets are invested, and the mortality assumption is based on a standard, current mortality table.

ERISA Accrued Liability

This measure of liability is closely related to the Value of Future Benefits. Briefly, it is the portion of the Value of Future Benefits that the Actuarial Cost Method attributes to past service. In other words, it is the portion of the Value of Future Benefits that is deemed to be accrued. The actuarial assumptions used here are the same as those used in the Present Value of Future Benefits. Of the four liability measurements discussed here, this is probably the most difficult to understand. It is common to compare it to saving money to buy a home in cash. How much cash you'll need is analogous to the Present Value of Future Benefits. How far along you are in your schedule to accumulate the necessary cash is analogous to the ERISA Accrued Liability.

Present Value of Accrued Benefits

This liability measure is based on accrued benefits. It does not take into account future salary and service increases. The interest assumption is generally the expected long-term return on the plan's assets.

Contribution History

The following contributions have been made since January 1, 2018

Date	Amount	For Plan Year	Plan Year's Interest Credited (3)
01/03/18 (1)	$ 400,389	2017	$ 28,869
03/27/18 (1)	371,389	2018	20,655
07/03/18 (1)	425,759	2018	15,391
09/28/18 (1)	369,009	2018	6,963
01/04/19 (1)	424,475	2018	0
01/08/18 (2)	173,666	2017	12,349
04/13/18 (2)	152,037	2018	7,942
07/11/18 (2)	170,986	2018	5,910
09/27/18 (2)	147,971	2018	2,822
01/15/19 (2)	163,546	2018	0
Total	$ 2,799,227		$ 100,901

(1) *Employer Contribution*

(2) *Employee Contribution*

(3) *This is interest credited to the contribution(s) at the valuation interest rate. It is not the actual earnings on the contributions.*

Determination of Actuarial (Gain) or Loss for the 2019 Plan Year

A. Expected Unfunded Actuarial Accrued Liability		
1. Unfunded Actuarial Accrued Liability as of January 1, 2018	$	13,714,174
2. Normal Cost as of January 1, 2018		338,794
3. Interest at 7.25 %		1,018,840
4. 2018 contributions plus interest at 7.25 %		2,284,855
5. Expected Unfunded Actuarial Accrued Liability as of January 1, 2019 (1) + (2) +(3) - (4); but not less than zero	$	12,786,953
B. Actual Unfunded Actuarial Accrued Liability		
1. Actuarial Accrued Liability as of January 1, 2019	$	89,872,893
2. Actuarial Value of Assets as of January 1, 2019		71,026,516
3. Actual Unfunded Actuarial Accrued Liability as of January 1, 2019 (1) - (2); but not less than zero	$	18,846,377
C. Changes in Unfunded Actuarial Accrued Liability		
1. Increase/(Decrease) due to Plan Amendment(s)	$	0
2. Increase/(Decrease) due to Assumption Change(s)		1,918,905
3. Increase/(Decrease) due to Funding Method Change		0
4. Total Changes: (1) + (2) + (3)	$	1,918,905
D. Actuarial (Gain) or Loss		
B(3) - C(4) - A(5)		4,140,519

Contribution Breakdown for the 2019 Plan Year

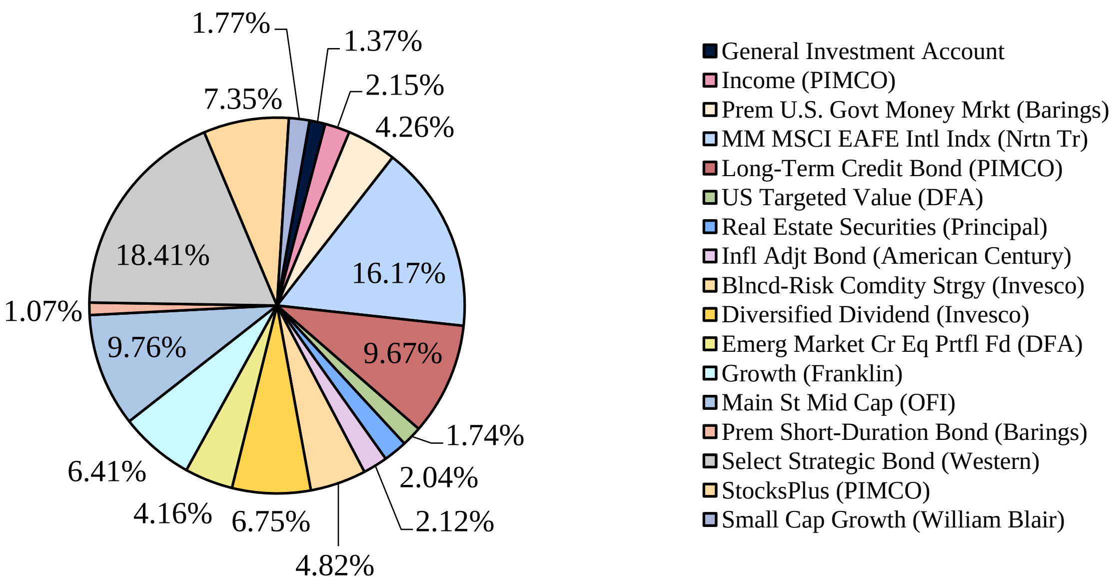
Below is a breakdown of the 2019 plan year contribution. To perform the breakdown, we first subtracted the actuarial accrued liability of the plan's inactive participants from the plan assets, and then allocated the remaining assets among the groups based on the actuarial accrued liability of the active participants. The unfunded actuarial accrued liability of each group was then amortized over a 20-year period. The resulting amortization payment was then added to the Normal Cost of each group to produce the recommended annual cost. Finally, the amount of anticipated employee contributions was subtracted from the total cost, to arrive at the annual contribution due from Lenawee County for each employee group.

	01 Sheriff-Command	02 Sheriff-Deputy	04 G.E.L.C. Union	05 County Non-Union	06 Steelworkers Union	61 Drain Commission	Total of All Groups
Active Employees	14	30	24	52	2	2	124
Average Age	47.86	50.93	53.68	56.52	59.10	53.81	53.64
Annual Salary (excluding employees over NRA)	$979,823	$1,523,355	$594,366	$1,173,710	$27,556	$81,220	$4,380,030
Actuarial Accrued Liability (Active Employees)	$4,912,919	$8,886,197	$4,815,064	$14,565,084	$270,850	$421,747	$33,871,861
Allocated Actuarial Value Plan Assets (Active Employees)	2,179,360	3,941,898	2,135,952	6,461,040	120,148	187,086	15,025,484
Unfunded Actuarial Accrued Liability (Active Employees)	2,733,559	4,944,299	2,679,112	8,104,044	150,702	234,661	18,846,377
Entry Age Normal Cost	77,068	137,312	39,354	77,927	1,768	7,489	340,918
Annual Expenses	6,148	10,782	5,677	20,966	558	870	45,000
Amortization Payment (20 yrs)	241,148	436,175	236,345	714,920	13,295	20,701	1,662,584
Total Annual Cost	$324,364	$584,269	$281,376	$813,813	$15,621	$29,060	$2,048,502
Estimated Employee Contrib.	97,982	152,336	59,437	117,371	2,756	8,122	438,003
(% salary)	(10.00%)	(10.00%)	(10.00%)	(10.00%)	(10.00%)	(10.00%)	(10.00%)
Employer Annual Cost w/ Interest	$234,305	$447,051	$229,708	$720,817	$13,316	$21,671	$1,666,866
(% salary)	(23.91%)	(29.35%)	(38.65%)	(61.41%)	(48.32%)	(26.68%)	(38.06%)

Plan Assets as of January 1, 2019

		Market Value
General Investment Account		$ 875,309
Separate Investment Account jag	— Income (PIMCO)	1,374,901
Separate Investment Account g	— Prem U.S. Govt Money Mrkt (Barings)	2,731,003
Separate Investment Account ccb	— MM MSCI EAFE Intl Indx (Nrtn Tr)	10,352,410
Separate Investment Account cds	— Long-Term Credit Bond (PIMCO)	6,189,146
Separate Investment Account cnh	— US Targeted Value (DFA)	1,112,607
Separate Investment Account cnl	— Real Estate Securities (Principal)	1,308,595
Separate Investment Account jja	— Infl Adjt Bond (American Century)	1,358,675
Separate Investment Account jnh	— Blncd-Risk Comdity Strgy (Invesco)	3,085,978
Separate Investment Account jpr	— Diversified Dividend (Invesco)	4,324,685
Separate Investment Account jrp	— Emerg Market Cr Eq Prtfl Fd (DFA)	2,664,332
Separate Investment Account jta	— Growth (Franklin)	4,103,659
Separate Investment Account ca	— Main St Mid Cap (OFI)	6,247,429
Separate Investment Account fq	— Prem Short-Duration Bond (Barings)	682,062
Separate Investment Account me	— Select Strategic Bond (Western)	11,787,042
Separate Investment Account pq	— StocksPlus (PIMCO)	4,703,556
Separate Investment Account vs	— Small Cap Growth (William Blair)	1,133,606
	Subtotal	$ 64,034,995
	Contribution(s) Receivable	588,021
	Total	$ 64,623,016

Market Value of Assets



Asset Reconciliation

Asset Reconciliation	Actuarial Value	Market Value
Assets as of January 1, 2018	$ 72,332,100	$ 71,758,045
Contributions	2,225,172	2,211,207
Investment Income	71,554	71,554
Appreciation/(Depreciation)	1,540,657	(4,862,844)
Benefit Payments	(5,098,068)	(5,098,068)
Expenses	(44,900)	(44,900)
Assets as of December 31, 2018	$ 71,026,516	$ 64,034,995 (1)
Rate of Return (2)	2.27%	-6.82%

(1) *Cash basis - does not include contribution(s) receivable.*

(2) *Estimated assuming mid-year cash flows.*

Participant Summary and Demographic Statistics

	2018	2019
Classification of Funded Participants as of January 1		
Actives	133	124
Terminated Vested	57	55
Retired	333	339
Disabled	5	6
Opt-out Active Employees	29	26
Total Participants	557	550
Total Accrued Monthly Benefits as of January 1		
Actives	$ 276,394	$ 273,015
Terminated Vested	38,427	38,004
Retired	412,180	426,894
Disabled and Receiving Benefits	5,824	7,569
Opt-out Active Employees	28,205	25,282
Total Accrued	$ 761,030	$ 770,764
Demographic Statistics as of January 1		
Active Participants		
Average Age	53.20	53.64
Average Compensation	$ 48,357	$ 51,401
Terminated Vested Participants		
Average Age	55.30	55.90
Retired Participants		
Average Age	72.30	72.76
Disabled Participants		
Average Age	52.80	55.87
Opt-out Active Employees		
Average Age	48.90	49.55

Participant Reconciliation

	Active	Vested Term	Retired	Opt Outs	Total
1. Number of Participants as of 1/1/2018	133	57	338	29	557
2. Changes in status during the year:					
New Participants					
Non-Vested Terminations					
Vested Terminations		1		(1)	
Participants who are Disabled	(1)		1		
Participants who Retired	(8)	(4)	14	(2)	
Death without Beneficiary			(9)		(9)
Cashed Out					
Rehired					
New Alt Payees		1	1		2
3. Number of Participants as of 1/1/2019	124	55	345	26	550

Accumulated Benefit Liabilities

The following information is provided to assist your accountant with the reporting requirements of ASC 960 (formerly FAS 35). The information reported here should not be used for any other purposes. Information reporting for other purposes, such as determining sufficiency in the event of a plan termination, may be significantly different.

Reporting Date	January 1, 2019
Present Value of Accumulated Plan Benefits	
For Participants Receiving Benefits	$ 50,193,142
For Terminated Vested Participants	3,200,015
For Other Vested Participants	31,417,496
Present Value of Vested Accumulated Plan Benefits	$ 84,810,653
Present Value of Nonvested Accumulated Plan Benefits	0
Present Value of Accumulated Plan Benefits	$ 84,810,653
Present Value of Accumulated Plan Benefits as of January 1, 2018	$ 81,119,747
Increase Due to Benefit Accruals	915,590
Decrease Due to Disbursements	(5,098,068)
Increase Due to Passage of Time	5,762,757
Other [(1)]	327,607
Present Value of Accumulated Plan Benefits as of January 1, 2019 before changes	83,027,633
Effect of Interest Rate Change [(2)]	1,965,503
Effect of Assumption Change [(3)]	(182,483)
Effect of Plan Change(s) [(4)]	0
Present Value of Accumulated Plan Benefits as of January 1, 2019 after changes	$ 84,810,653
Fair Market Value of Assets [(5)]	$ 64,643,707

The Present Value of Accumulated Plan Benefits is measured using the Unit Credit Actuarial Cost Method. The actuarial assumptions used are shown in the Actuarial Assumptions section of this Report, and the Plan provisions are summarized in the Plan Summary section of this Report.

(1) *Effect of miscellaneous gains/losses and other demographic changes.*
(2) *Change from 7.25% to 7.00%*
(3) *Projection scale for mortality tables was updated from MP-2017 to MP-2018*
(4) *None*
(5) *Includes accrued contributions and the adjusted market-value of any GIA assets (if applicable).*

Actuarial Assumptions

Many of the factors affecting the funding cost and liability cost of the Plan are variables which cannot be predicted with certainty. The following actuarial assumptions have either been mandated by statute and regulation or selected to reasonably anticipate future experience with respect to these variables.

Interest:	7.00%
Preretirement Mortality:	RP-2014 Mortality Tables for Non-Annuitants, Fully Generational with Scale MP-2018
Postretirement Mortality:	RP-2014 Mortality Tables for Annuitants, Fully Generational with Scale MP-2018
Assumed Retirement:	Plan Normal Retirement Age
Termination:	Termination Table T-5 from the Actuary's Handbook with a 5-year setback for females
Incidence of Disability:	1952 Disablity Table, Period 2, Benefit 5, with six month waiting period
Salary Scale:	3.0%
Marriage:	It is assumed that 80% of participants are married and that a male is 3 years older than his female spouse.
Expenses:	Interest rate is assumed to be net of plan expenses.
Optional Forms:	Liabilities include no load to account for the value of optional annuity forms.

Summary of Changes to Actuarial Assumptions

The interest rate was changed from 7.25% to 7.00% and the mortality table projection scale was updated from MP-2017 to MP-2018.

Actuarial Cost and Asset Valuation Methods

Actuarial Cost Method

Individual Entry Age Normal

The Normal Cost is the percent of pay necessary to fund the benefit projected to assumed retirement date over the working lifetime of each participants. The Accrued Liability is the excess of the present value as of the valuation date of the benefit projected to assumed retirement age over the present value of future Normal Costs. Or, equivalently, the accumulated value of all past Normal Costs. The benefit projected to assumed retirement date uses projected service, compensation if applicable, and any other components that would be used in the calculation of the benefit. The difference between the Accrued Liability and the Actuarial Value of Assets is the Unfunded Actuarial Accrued Liability. Each year the difference between the expected Unfunded Actuarial Accrued Liability (based on actuarial assumptions being realized exactly) and the actual Unfunded Actuarial Accrued Liability is the Actuarial Gain or Loss.

Asset Valuation Method

The Actuarial value of Assets are determined using the Five-Year Average Appreciation method with phase-in adopted January 1, 2018. Under this method assets are valued according to the following general formula:

$MV - .8A_1 - .6A_2 - .4A_3 - .2A_4$, not less than 90% of MV; not greater than 110% of MV, where

MV = Market Value of assets as of valuation date.

A_n = Actuarial Gain/(Loss) due to investment earnings, during the nth year preceding the valuation date. The actuarial gain or loss for a year is determined by calculating the difference between the expected market value of assets and the actual market value of assets.

The Actuarial Value is not greater than 110% of the Market Value, or less than 90% of the Market Value.

Development of Actuarial Value of Assets

1.	Market Value of Assets as of January 1, 2018	$ 71,758,045	
2.	Cash Flow		
	a. Contributions for the 2018 Plan Year	2,211,207	
	b. Benefit payments and expenses	(5,142,968)	
	c. Net Cash Flow: (a) + (b)	(2,931,761)	
3.	Interest on Cash Flow		
	a. Interest on (1) at 7.25 %	5,202,458	
	b. Interest on (2)(a) at 7.25 %	100,901	*
	c. Interest on (2)(b) at 7.25 %	(186,433)	*
	d. Total Interest: (a) + (b) + (c)	5,116,926	
4.	Expected Market Value of Assets as of January 1, 2019 (1) + (2)(c) + (3)(d)	$ 73,943,211	
5.	Actual Market Value of Assets as of January 1, 2019	$ 64,034,995	
6.	(Gain)/Loss: (4) - (5)	9,908,216	
7.	Deferred (Gain)/Loss:		

a.	2018 / 2019:	9,908,216	x	80%	=	7,926,573	
b.	2017 / 2018:	0	x	60%	=	0	
c.	2016 / 2017:	0	x	40%	=	0	
d.	2015 / 2016:	0	x	20%	=	0	
e.	Total deferred: (a) + (b) + (c) + (d)						7,926,573

8.	Preliminary Actuarial Value of Assets as of January 1, 2019: (5) + (7)(e)	71,961,568
9.	90% of January 1, 2019 Market Value of Assets	57,631,496
10.	110% of January 1, 2019 Market Value of Assets	70,438,495
11.	Actuarial Value of Assets as of January 1, 2019: Lesser of (8) and (10), but not less than (9)	70,438,495
12.	Contribution(s) Receivable	$ 588,021
13.	Actuarial Value of Assets as of January 1, 2019:	$ 71,026,516

* *The interest credited to benefit payments and expenses is weighted for timing. The standard assumption is to credit a half year's interest to benefit payments and expenses when rolling forward (projecting) asset values.*

Valuation Risk Assessment

The results shown in this report are dependent upon assumptions used for measuring the assets and liabilities. The plan's future financial condition may be significantly different if assets and liabilities are measured under other assumptions, and will be ultimately determined by actual plan experience. The plan's future financial condition is subject to certain risks, including:

Investment risk and contribution risk. For example, if assets do not perform as well as assumed or future contributions are lower than assumed, the funded status may be lower.

Interest rate risk and asset/liability mismatch risk. For example, if future interest rates lower than the assumed rates shown above, actual liabilities could increase, which would lower the funded status. Interest rate changes also may not affect plan assets and liabilities in the same way

Demographic/longevity risk. For example, if participants live longer than assumed, liabilities may be higher and the funded status would decrease.

Summary of Plan Provisions

The provisions shown here are only summaries. In the interest of space and simplicity, many of them have been abbreviated, simplified, or paraphrased. In matters of Plan interpretation or application, the actual Plan Document should be consulted.

Plan: Lenawee County Board of Commissioners Retirement Income Plan

Employer Identification Number / Plan Number: 38-6005798 / 001

Effective Date: January 1, 1976

Plan Year: Calendar Year

Employer: Lenawee County Board of Commissioners

Employee: Any person who is employed by the Employer. An individual who performs services for the Employer pursuant to an agreement between the Employer and an employee leasing organization shall not be considered to be an Employee.

Participation: Each person employed by the County in a position normally requiring 1,000 hours or more per year is eligible to join the plan on date of hire. Except that Participation has been frozen for the following Groups:

Group 01: Sheriff Command (Police Officers Labor Council) - *Employees hired after January 1, 2006*
Group 02: Sheriff Deputy (Police Officers Association of Michigan) - *Employees hired after September 1, 2005*
Group 03: Nurses M.N.A. Union - *Employees hired after January 31, 2002*
Group 04: Government Employees' Labor Council - *Employees hired after May 1, 2003, except that for District Court Employees, after March 1, 2004*
Group 05: Lenawee County Employees (Non-union) - *Employees hired after January 1, 2001*
Group 06: Steelworkers Union - *Employees hired after August 1, 2002*
Group 61: Drain Commission - *Employees hired after January 1, 2002*
Group 08: Medical Care Facility (Non-union) - *Employees hired after January 1, 2008*

Service: The period of an Employee's employment with the Employer, as determined by the Employer from its personnel records.

Vesting Service: All years of Service with the Employer from Date of Employment

Benefit Service: All years of Service with the Employer from Date of Employment

Average Monthly Earnings:

Group 01: Sheriff Command and Group 02: Sheriff Deputy - The average of Monthly Earnings in the period of 48 consecutive months with respect to which such sum is the greatest

All Other Groups - The average of Monthly Earnings in the period of 60 consecutive months with respect to which such sum is the greatest

Normal Retirement Date:

Group 01: Sheriff Command and Group 02: Sheriff Deputy - First day of the month coincident with otherwise next following the earlier of 1) age 55 and 25 years of service, and 2) age 65 and 8 years of service

Group 04: Government Employees' Labor Council (GELC), Group 05: Lenawee County Employees (Non-union), Group 06: Steelworkers Union, Group 03: Nurses M.N.A. Union, and Group 61: Drain Commission Employees - the earlier of 1) date age and years of service equal 85, and 2) age 62 and 8 years of service

All other Groups - Age 65 and 8 years of service

Early Retirement Date: Any Participant who has attained age 55 and completed 10 years of Benefit Service may elect early retirement on the first day of any calendar month following the termination of Service.

Disability Retirement Date: Any Participant who has completed 10 years of Benefit Service may elect disability retirement on the first day of any calendar month following the determination of total and permanent disability.

Normal Retirement Benefit:

Group 01: Sheriff Command - 2.50% of average monthly earnings times all years of benefit service. The maximum monthly benefit is 80% of average monthly earnings.

Group 02: Sheriff Deputy - 2.50% of average monthly earnings times all years of benefit service. The maximum monthly benefit is 80% of average monthly earnings.

Group 03: Nurses M.N.A. Union - 2.00% of average monthly earnings times all years of benefit service.

Group 04: Government Employees' Labor Council - 2.00% of average monthly earnings times all years of benefit service.

Group 05: Lenawee County Employees (Non-union) - 2.00% of average monthly earnings times all years of benefit service.

Group 06: Steelworkers Union - 2.00% of average monthly earnings times all years of benefit service.

Group 61: Drain Commission - 2.00% of average monthly earnings times all years of benefit service.

Group 07: Medical Care Facility (Union) - 1.00% of average monthly earnings times all years of benefit service.

Group 08: Medical Care Facility (Non-union) – 2.50% of average monthly earnings times all years of benefit service.

Termination Benefit: A Participant who has at least eight years of Vesting Service has a nonforfeitable right to 100% of his or her Accrued Benefit. Benefit is payable at Normal Retirement Date.

Early Retirement Benefit: The accrued benefit reduced 1/15 for the first five years, and 1/30 for the next five years for each year the Retirement Date precedes the Normal Retirement Date.

Disability Retirement Benefit: The accrued benefit reduced by any amounts payable under any worker's compensation or salary continuance program.

Normal Form: Single: Modified Cash Refund; Married: Qualified 50% Joint and Survivor Annuity

Optional Forms: Joint and Survivor Annuity, Life Annuity with 60 or 120 monthly payments guaranteed, Life Annuity

Death Benefits:

For all employees except Group 7: Medical Care Facility (Union)

Pre-retirement: If the Participant is not vested, no death benefits are payable. If the participant is vested, then the death benefit is 50% of the amount that would have been payable to the Participant under the 50% Joint and Survivor option.

Post-Retirement: None except as provided by the annuity form elected.

Employee Contributions: (picked up by the Employer under IRC §414(h)(2))

Group 01: Sheriff Command - 10.00% of pay

Group 02: Sheriff Deputy - 10.00% of pay

Group 03: Nurses M.N.A. Union - 10.00% of pay

Group 04: Government Employees' Labor Council (GELC) - 10.00% of pay

Group 05: Lenawee County Employees (Non-union) – 10.00% of pay

Group 06: Steelworkers Union - 10.00% of pay

Group 61: Drain Commission - 10.00% of pay

Spin-off of Medical Care Facility employees: Effective January 1, 2008, all non-retired employees of the Lenawee Medical Care Facility (Formerly Group 7 and Group 8 of this plan) were transferred to successor plans.

Opt-out Elections: Active participants in groups 03, 04, 05, 06, and 61 may elect to opt-out of participation in this plan for purposes of benefit accruals only. Vesting service and service for purposes of the Rule of 85 Retirement Age will continue to be credited. Each year the election period will run from November 15th to December 15th, and such election will take effect the following January 1st. At that time, the participant will commence participation in the County's Defined Contribution Plan.