



**LAKE COUNTY RETIREMENT PLAN
SUMMARY ANNUAL REPORT
FY Ending 12/31/2016**

Name of System	Lake County
Name of the System's Investment Fiduciary	MERS of Michigan
System's Service Providers	MERS of Michigan, CBIZ Retirement Plan Services (actuary)
System's assets and liabilities/changes	<p>As of 12/31/16:</p> <p>Valuation Assets: \$13,714,440</p> <p>Accrued Liability: \$18,429,536</p> <p>Unfunded Accrued Liability: \$4,715,096</p> <p>As of 12/31/15:</p> <p>Valuation Assets: \$12,903,640</p> <p>Accrued Liability: \$17,350,485</p> <p>Unfunded Accrued Liability: \$4,446,845</p>
System's funded ratio	74.4%
Investment performance	<p>Investment Performance net of fees:</p> <p>1 year: 10.85%</p> <p>3 years: 5.32%</p> <p>5 years: 8.30%</p> <p>7 years: 8.18%</p> <p>10 years: 5.11%</p>
System's administrative & investment expenses	At December 31, 2016 the cost of the Defined Benefit Plan was 0.39% (0.21% for administration and 0.18% for investments)
System's budget	Not applicable to the local government
Number of actives	112
Number of retirees/beneficiaries	68
The average annual retirement allowance	\$10,644.46
Total annual retirement allowances	\$723,823
Valuation payroll	\$4,929,575
Normal cost percentage	9.95% Average
Total contribution rate as a %	16.11% Average
Weighted average member contributions	0.77% Average
Actuarial investment return	7.75%
Actuarial long term inflation rate	3.75%
Smoothing method	5 years



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Amortization method	22 years
Actuarial cost method	Entry age normal method
Open or closed membership	Open
Health care inflation	Not applicable to pension plans
Travel report	Not applicable to local governments within MERS
If below 60% funded in retiree health care or pension, actions taken to reduce the system's UAL	<p>Lake County's pension's funding level is at 74%, however MERS adheres to the following fiscal best practices:</p> <ul style="list-style-type: none"> • Conducts and experience study every five years to ensure assumptions match actual experience and make adjustments where necessary • Use a fixed amortization period • MERS implements checks and balances to eliminate unexpected pension spikes. Actuarial loads are applied to groups that have demonstrated a history of Final Average Compensation increases. • UAL amortization schedule is on track to be paid off in 23 years