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June 30, 2014  
(\$ in Thousands)

	Market Value	Book Value	Actuarial Value
1. Assets at June 30, 2013	\$287,456	\$243,929	\$271,097
2. Contributions and Misc. Revenue	15,463	15,463	15,463
3. Investment Increment	52,654	24,978	38,279
4. Benefit Payments	(28,262)	(28,262)	(28,262)
5. Expenses	(1,279)	(1,279)	(1,279)
6. Assets at June 30, 2014 (1) + (2) + (3) + (4) + (5)	\$326,032	\$254,829	\$295,298
7. Investment Increment/Mean Assets*	18.8%	10.5%	14.5%

\*Based on the approximation formula:  $I/[.5 \times (A + B - I)]$ , where

- I = Investment increment
- A = Beginning of year asset value
- B = End of year asset value



**SCHEDULE B**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

INTEREST RATE: 8.00% per annum, compounded annually (net of investment expenses only).

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of separation from active service are as follows:

Age	Withdrawal and Vesting*	Death	Disability		Service	Service Retirement*
			Non-Duty	Duty		
25	4.0%	.03%	.09%	.01%	5	5%
30	3.5	.04	.12	.02	10	5%
35	2.5	.05	.16	.04	15	5%
40	1.0	.07	.20	.07	20	10%
45	1.0	.11	.30	.06	25	15%
50	0.5	.16	.50	.05	30	25%
55	0.0	.21	.91	.02	35	25%

\* The annual rate of service retirement is 100% at age 60.

It is assumed that a member will be granted 1¾ years of service credit for unused leave at termination of employment. In addition, it is assumed that, on average, ¼ year of service credit for peace-time military service will be granted to each member.

SALARY INCREASES: Representative values of the assumed annual rates of salary increases are as follows:

Age	Annual Rates of		
	Merit & Seniority	Base (Economy)	Increase Next Year
20	5.59%	4.25%	9.84%
25	2.32	4.25	6.57
30	1.50	4.25	5.75
35	1.50	4.25	5.75
40	1.50	4.25	5.75
45	1.00	4.25	5.25
50	0.50	4.25	4.75
55	0.50	4.25	4.75



PAYROLL GROWTH: 4.25% per annum, compounded annually.

PRICE INFLATION: 3.50% per annum, compounded annually.

ADMINISTRATIVE EXPENSES: 0.23% of payroll.

TIMING OF DECREMENT AND PAY INCREASES: Middle of Year.

DEATH AFTER RETIREMENT: The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the RP-2000 Combined Mortality Table Projected to 2025 by Scale AA (set forward 2 years for males). The RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 2 years for females) was used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement. Mortality improvement is anticipated under this assumption as recent mortality experience shows actual deaths 7% greater than expected under selected table.

MARRIAGE ASSUMPTION: 100% married with the husband three years older than his wife.

VALUATION METHOD: The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 8.00%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.

The employer contributions required to support the benefits of HSPRS are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.



The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.

The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the HSPRS. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.

ASSET VALUATION METHOD: Actuarial value, as developed in Schedule A. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected market value.



## **SCHEDULE C**

### **SUMMARY OF MAIN BENEFIT AND CONTRIBUTION PROVISIONS**

The following summary presents the main benefit and contribution provisions of the System in effect June 30, 2014, as interpreted in preparing the actuarial valuation.

#### **DEFINITIONS**

<b>Average Compensation</b>	Average annual covered earnings of an employee during the four highest consecutive years of service.
<b>Covered Earnings</b>	Gross salary not in excess of the maximum amount on which contributions were required.
<b>Fiscal Year</b>	Year commencing on July 1 and ending June 30.
<b>Credited Service</b>	Service while a contributing member plus additional service as described below.
<b>Unused Sick and Vacation Leave</b>	Service credit is provided at no charge to members for unused sick and vacation time that has accrued at the time of retirement.
<b>Additional Service</b>	Additional service credit may be granted for service prior to July 1, 1958, active duty military service, and retroactive service





The maximum covered earnings for employers and employees over the years are as follows:

EMPLOYER AND EMPLOYEE RATES OF CONTRIBUTION  
AND MAXIMUM COVERED EARNINGS

Fiscal Date From	Fiscal Date To	Employer Rate	Maximum Covered Earnings*	Employee Rate	Maximum Covered Earnings*
7/1/1958	6/30/1968	13.33%		5.00%	
7/1/1968	6/30/1971	15.33		5.00	
7/1/1971	6/30/1973	18.59		5.00	
7/1/1973	6/30/1975	20.77		5.00	
7/1/1975	6/30/1978	24.65		5.00	
7/1/1978	6/30/1980	26.16		6.00	
7/1/1980	6/30/1989	26.16		6.50	
7/1/1989	6/30/1990	27.97		6.50	
7/1/1990	6/30/2003	26.16		6.50	
7/1/2003	6/30/2006	28.16		6.50	
7/1/2006	6/30/2008	30.30		6.50	
7/1/2008	12/31/2011	30.30		7.25	
1/1/2012	6/30/2012	35.21		7.25	
7/1/2012	6/30/2015	37.00		7.25	

\*Maximum covered earnings equal wages paid, not to exceed wages paid to the Commissioner of the Department of Public Safety (currently \$146,850).

Effective July 1, 2014, additional contributions from SB 2659 and HB 1015 are estimated to be \$3,400,000 combined.



## BENEFITS

### Superannuation Retirement

#### Condition for Retirement

- (a) A retirement allowance is payable to any member who retires and has attained age 55 and completed at least five years of membership service, or has attained age 45 and completed at least 20 years of creditable service, or has completed 25 years of creditable service regardless of age.

Any member who has attained age 63 shall be retired forthwith. Effective July 1, 2011, the Commissioner of Public Safety is authorized to allow a member who has attained age 63 to continue in active service. Such continued service may be authorized annually until the member attains age 65.

- (b) Any member who withdraws from service prior to his or her attainment of age 55 but after having completed five or more years of creditable service is entitled to receive, in lieu of a refund of his or her accumulated contributions, a retirement allowance commencing at age 55.

#### Amount of Allowance

The annual retirement allowance payable to a retired member is equal to:

1. A member's annuity which is the actuarial equivalent of the member's accumulated contributions at the time of his or her retirement, plus
2. An employer's annuity which, together with the member's annuity, is equal to 2-1/2% of his or her average compensation for each year of membership service, plus
3. A prior service annuity equal to 2-1/2% of average compensation for each year of prior service.

The aggregate amounts of (2) and (3) above shall not exceed 100% of average compensation, regardless of service, for retirements on or after January 1, 2000; 85% for retirements prior to January 1, 2000.

The minimum allowance for both service and disability retirement based on the following table for each year of creditable service, reduced if necessary as indicated below.



Service	Monthly Benefit
Less than 10 years	\$250
10-15 years	\$300
15 or more years	\$500

The annual retirement allowance payable to a member who retires under condition (a) above prior to age 55 is computed in accordance with the above formula except that the employer's annuity and prior service annuity are reduced 3% for each year of age below age 55, or 3% for each year of service below 25 years of creditable service, whichever is less.

**Disability Retirement**

Condition for Retirement

A retirement allowance is payable to any member who is not eligible for a service retirement benefit but who becomes totally and permanently disabled, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not in the performance of duty, the member must have completed at least 5 years of membership service to be eligible for retirement.

Amount of Allowance

The annual disability retirement allowance payable is equal to the greater of 50% of his or her average salary for the 2 years immediately preceding retirement, or a retirement allowance as calculated under the provisions for superannuation retirement.

**Death Prior to Retirement**

Upon the death of a highway patrolman who is eligible for service retirement, family benefits are payable equal to those which would have been payable had he been retired on his or her date of death.

Upon the death of a highway patrolman either in the line of duty or as a result of an accident occurring in the line of duty, the following benefits are payable:

- a) a benefit to the spouse equal to one-half the member's average compensation.
- b) a benefit to a dependent child payable to age 19 (23 if a full-time student) equal to one-fourth of the member's average compensation for one child or one-half for two or more children.

**Death After Retirement**

Upon the death of a highway patrolman who has retired for service or disability and who has not elected any other optional form of benefit, his widow or her widower is eligible for a benefit equal to 50% of his or her retirement allowance and each child (but not more than 2) who has not attained age 19 (23 if a full-time student) is eligible for a benefit equal to 25% of his or her retirement allowance. The benefit to the widow is payable for life and to children until they attain age 19 (23 if a full-time student) or for life if they are totally and permanently disabled.



### **Refund of Contributions**

Upon a member's termination of employment for any reason before retirement, his or her accumulated contributions, together with regular interest thereon, are refunded. Upon the death of a member who is not eligible for any other death benefit, his or her accumulated contributions, together with regular interest thereon, are paid to his or her beneficiary.

Interest is currently credited to the member's account at 3.50% per annum.

### **Normal Form of Benefit**

The normal form of benefit is an allowance payable during the life of the member. Upon death the benefits described above are payable.

### **Optional Benefits**

A member upon retirement may elect to receive his allowance in one of the following forms which are computed to be actuarially equivalent to the applicable retirement allowance.

Option 1. Reduced allowance with the provision that if the pensioner dies before he receives the value of the member's annuity as it was at the time of retirement, the balance shall be paid to his or her beneficiary.

Option 2. Upon his or her death, his or her reduced retirement allowance shall be continued throughout the life of, and paid to, his or her beneficiary.

Option 3. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary and the other 50% of his or her reduced retirement allowance to some other designated beneficiary.

Option 4. Upon his or her death, 75% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4A. Upon his or her death, 50% of his or her reduced retirement allowance shall be continued throughout the life of, and paid to, a designated beneficiary.

Option 4B. A reduced retirement allowance shall be continued throughout the life of the pensioner, but with the further guarantee of payment to the pensioner or his or her beneficiary for a specified number of years certain.



Option 4C. A member may elect any option with the added provision that the member shall receive, so far as possible, the same total amount annually (considering both HSPRS and Social Security benefits) before and after the earliest age at which the member becomes eligible for a Social Security benefit. This option was only available to those who retired prior to July 1, 2004.

A member who elects Option 2, Option 4, or Option 4A, at retirement may revert to the normal form of benefit if the designated beneficiary predeceases the retired member or if the retired member divorces the designated beneficiary. A member who elects the normal form of benefit or Option 1 at retirement may select Option 2, Option 4, or Option 4A to provide beneficiary protection to a new spouse if married after retirement.

A member who qualifies for an unreduced retirement allowance may select a partial lump-sum option at retirement. Under this option, the retiree has the option of taking a partial lump-sum distribution equal to either 12, 24, or 36 times the base maximum monthly benefit. With each lump-sum amount, the base maximum monthly benefit will be actuarially reduced. A member selecting this option may also select any of the regular options except Option 1, the prorated single-life annuity, and Option 4-C, the Social Security leveling provision. The benefit is then calculated using the new reduced maximum benefit as a starting point in applying the appropriate option factors for the reduction.

### **Post-Retirement Adjustments In Allowances**

The allowances of retired members are adjusted annually by an amount equal to (a) 3% of the annual retirement allowance for each full fiscal year of retirement prior to the year in which the member reaches age 60\*, plus (b) 3% compounded for each year thereafter beginning with the fiscal year in which the member turns age 60\*.

A prorated portion of the annual adjustment will be paid to the member, beneficiary, or estate of any member or beneficiary who is receiving the annual adjustment in a lump sum, but whose benefits are terminated between July 1 and December 1.

Those members who retired on or before July 1, 1999 received an ad hoc benefit increase in the amount of \$3.50 per month per each full fiscal year of retirement through June 30, 1999 plus \$1.00 per month for each year of credited service. The benefits were increased on July 1, 1999.

\*this age will be reduced in five phases to age 55 if the actuary certifies that reducing the age will not result in the amortization period of the unfunded accrued liability exceeding 20 years.



Members contribute 7.25% of compensation and the employer contributes 37.00% of compensation. Funds from SB 2659 and HB 1015 are also provided.



**SCHEDULE D**

**DETAILED TABULATIONS OF THE DATA**

Retirants & Beneficiaries as of June 30, 2014  
Tabulated by Year of Retirement

Year of Retirement	No.	Total Annual Benefits, excluding COLA	COLA	Total Annual Benefits	Average Monthly Total Benefit
2014	7	\$368,491	\$0	\$368,491	\$4,387
2013	21	839,273	0	839,273	3,330
2012	17	735,320	18,715	754,035	3,696
2011	24	1,010,651	54,192	1,064,843	3,697
2010	16	661,458	58,523	719,981	3,750
2009	52	2,217,592	265,635	2,483,227	3,980
2008	20	790,917	117,259	908,176	3,784
2007	16	629,117	114,239	743,356	3,872
2006	21	720,355	145,604	865,959	3,436
2005	16	511,047	123,532	634,579	3,305
2004	27	934,644	260,775	1,195,419	3,690
2003	11	291,495	86,963	378,458	2,867
2002	25	707,184	250,630	957,814	3,193
2001	22	646,003	238,108	884,111	3,349
2000	15	487,448	197,717	685,165	3,806
1999	15	396,632	177,340	573,972	3,189
1998	20	570,039	275,376	845,415	3,523
1997	27	761,488	387,881	1,149,369	3,547
1996	33	902,382	507,727	1,410,109	3,561
1995	24	584,902	344,174	929,076	3,226
1994	9	231,886	151,512	383,398	3,550
1993	15	319,386	204,602	523,988	2,911
1992	14	301,053	208,411	509,464	3,033
1991	4	71,467	58,431	129,898	2,706
1990	12	193,701	158,717	352,418	2,447
1989	4	67,140	59,253	126,393	2,633
1988	6	98,282	90,857	189,139	2,627
1987	3	34,604	28,526	63,130	1,754
1986	118	2,110,991	2,054,029	4,165,020	2,941
1985	4	57,273	63,281	120,554	2,512
1984	13	177,669	206,125	383,794	2,460
1983	6	60,208	69,882	130,090	1,807
1982	13	136,224	182,325	318,549	2,042
1981	12	100,986	124,944	225,930	1,569
1980	12	112,339	168,950	281,289	1,953
1979	9	68,853	95,649	164,502	1,523
1978 & Prior	37	180,173	327,803	507,976	1,144
<b>TOTAL</b>	<b>720</b>	<b>\$19,088,673</b>	<b>\$7,877,687</b>	<b>\$26,966,360</b>	<b>\$3,121</b>



Schedule of Retired Members by Type of Retirement

Benefits Payable June 30, 2014

Amount of Monthly Benefit	Number of Rets.	Ret Type 1*	Ret Type 2*	Ret Type 3*
\$1 – \$100	1			1
101 – 200	4			4
201 – 300	5			5
301 – 400	22	1		21
401 – 500	13		3	10
501 – 600	19	3		16
601 – 700	15	2		13
701 – 800	21	2	1	18
801 – 900	26	3		23
901 – 1,000	23	1	1	21
Over 1,000	571	504	12	55
Totals	720	516	17	187

\*Type of Retirement

1 – Retirement for Age & Service

2 – Disability Retirement

3 – Survivor Payment





Schedule of Retired Members by Type of Option

Benefits Payable June 30, 2014

Amount of Monthly Benefit	Number of Rets.	Life	Option 1	Option 2	Option 3	Option 4	Option 4A	Option 4B	Option 4C**	Option 5	PLSO** 1 Year	PLSO** 2 Years	PLSO** 3 Years
\$1 – \$100	1	1											
101 – 200	4	4											
201 – 300	5	5											
301 – 400	22	21		1									
401 – 500	13	10					3						
501 – 600	19	16					3						
601 – 700	15	13					2						
701 – 800	21	18					3		1				
801 – 900	26	23			1		2					1	
901 – 1,000	23	21					2						
Over 1,000	571	61	2	45	3		445	15	10		37	20	107
Totals	720	193	2	46	4	0	460	15	11	0	37	21	107

Option Selected

- Life - Return of Contributions
- Opt. 1 - Return of Member's Annuity
- Opt. 2 - 100% Survivorship
- Opt. 3 - 50%/50% Dual Survivorship
- Opt. 4 - 75% Survivorship
- Opt. 4A - 50% Survivorship
- Opt. 4B - Years Certain & Life
- Opt. 4C - Social Security Leveling\*\*
- Opt. 5 - Pop-Up
- PLSO - Partial Lump Sum\*\* (Reflects reduced monthly benefit)

\*\*Included in other options



Mississippi Highway Safety Patrol Retirement System

Retirant and Beneficiary Information June 30, 2014

Attained Age	Service Retirement		Disability Retirement		Survivors and Beneficiaries		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 20					6	\$42,784	6	\$42,784
20 – 24					1	9,597	1	9,597
25 – 29					1	15,698	1	15,698
30 – 34					1	20,213	1	20,213
35 – 39								
40 – 44					4	89,341	4	89,341
45 – 49	3	\$127,675	2	\$62,120	2	41,725	7	231,520
50 – 54	49	1,941,123	3	71,665	2	76,207	54	2,088,995
55 – 59	112	5,035,116			4	101,953	116	5,137,069
60 – 64	98	4,276,787	4	108,932	10	212,262	112	4,597,981
65 – 69	99	4,414,199	1	29,397	21	547,350	121	4,990,946
70 – 74	77	3,310,300	3	71,526	36	874,232	116	4,256,058
75 – 79	40	1,771,770	2	40,313	23	458,062	65	2,270,145
80 – 84	25	1,119,075	2	26,185	39	764,313	66	1,909,573
85 – 89	11	559,076			18	364,957	29	924,033
90 – 94	2	77,553			16	247,114	18	324,667
95					2	36,922	2	36,922
96					1	20,818	1	20,818
97								
98								
99								
100 & Over								
Totals	516	\$22,632,674	17	\$410,138	187	\$3,923,548	720	\$26,966,360

Average Age: 67.8 years  
Average Age at Retirement: 49.9 years



Mississippi Highway Safety Patrol Retirement System

Total Active Member Data as of June 30, 2014  
 Tabulated by Attained Ages and Years of Service

Attained Age	Years of Service to Valuation Date							Totals	
	0 – 4	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30+	No.	Valuation Payroll
Under 20									
20 – 24	2							2	\$75,058
25 – 29	20	13						33	1,319,058
30 – 34	22	55	4					81	3,513,580
35 – 39	3	41	36	7				87	4,164,702
40 – 44	3	26	36	42	12			119	6,180,926
45 – 49	1	5	15	21	28	4		74	4,127,440
50 – 54	1	1	4	12	11	23	6	58	3,487,384
55 – 59			1	3	1	15	15	35	2,289,034
60 – 64		1				3	2	6	396,583
65 – 69									
70 – 74									
75 – 79									
Totals	52	142	96	85	52	45	23	495	\$25,553,765

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 42.3 years  
 Service: 14.0 years  
 Annual Pay: \$51,624



**SCHEDULE E**

**MISSISSIPPI HSPRS  
ANALYSIS OF FINANCIAL EXPERIENCE**

**Gains & Losses in Accrued Liabilities  
Resulting from Difference Between  
Assumed Experience & Actual Experience  
(\$ Thousands)**

Type of Activity	\$ Gain (or Loss) For Year Ending 6/30/2014	\$ Gain (or Loss) For Year Ending 6/30/2013
<b>Age &amp; Service Retirements.</b> If members retire at older ages, there is a gain. If younger ages, a loss.	\$ (537.9)	\$ 904.3
<b>Disability Retirements.</b> If disability claims are less than assumed, there is a gain. If more claims, a loss.	139.6	147.0
<b>Death-in Service Benefits.</b> If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(277.6)	40.6
<b>Withdrawal From Employment.</b> If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	468.8	927.9
<b>Pay Increases.</b> If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(630.0)	3,256.1
<b>New Members.</b> Additional unfunded accrued liability will produce a loss.	0.0	0.0
<b>Investment Income.</b> If there is a greater investment income than assumed, there is a gain. If less income, a loss.	15,824.2	(6,480.0)
<b>Death After Retirement.</b> If retirants live longer than assumed, there is a loss. If not as long, a gain.	393.3	(384.8)
<b>Other.</b> Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	<u>(2,209.7)</u>	<u>(2,164.2)</u>
<b>Gain (or Loss) During Year From Financial Experience</b>	\$ 13,170.7	\$ (3,753.2)
<b>Non-Recurring Items.</b> Adjustments for plan amendments, assumption changes, or method changes.	<u>0.0</u>	<u>(1,121.6)</u>
<b>Composite Gain (or Loss) During Year</b>	<u>\$ 13,170.7</u>	<u>\$ (4,874.8)</u>



## **SCHEDULE F**

### **GLOSSARY**

**Actuarial Accrued Liability.** The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability”.

**Accrued Service.** The service credited under the plan which was rendered before the date of the actuarial valuation.

**Actuarial Assumptions.** Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

**Actuarial Cost Method.** A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method”.

**Actuarial Equivalent.** A series of payments is called on actuarial equivalent of another series of payments if the two series have the same actuarial present value.

**Actuarial Present Value.** The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

**Amortization.** Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

**Experience Gain (Loss).** A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

**Normal Cost.** The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost”. Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

**Reserve Account.** An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

**Unfunded Actuarial Accrued Liability.** The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability”.

**Valuation Assets.** The value of current plan assets recognized for valuation purposes. Generally based on book value plus a portion of unrealized appreciation or depreciation.