

Commonwealth of Pennsylvania
 Department of the Auditor General
 Municipal Pension Reporting Program (MPRP)
 613 North Street, 321 Finance Building,
 Harrisburg, PA 17120

2019
Department of the Auditor General
Act 205
Form Type C - Scranton - Non Uniform - Defined
Benefit

FILING DEADLINE: March 31, 2020

COUNTY	MUNICIPALITY	CODE
LACKAWANNA	SCRANTON CITY	351022
DATE SUBMITTED	STATUS	
4/22/2020	Approved	
DATE APPROVED		
5/12/2020		

Identification of Pension Plan and Specification of Valuation Date

A. Name of Pension Plan Scranton - Non Uniform - Defined Benefit

B. Date on which pension plan was established 2/20/1922

C. Valuation date for demographic, financial and actuarial data 1/1/2019

Step 1 - General Information

A. Is Social Security coverage provided for the active members of the pension plan? Yes

B. Do any active members of this pension plan participate in any other pension plan or plans that receive funding from the municipality? No

C. Do any of the active members of this pension plan work on average less than 35 hours per week? No

D. Does the pension plan include active members who are not employees of the municipality? No

E. Do retired members of the pension plan receive any benefit, such as insurance coverage, that is provided wholly or partially by the municipality and not funded through the pension plan? No

F. What is the Administrative Arrangement? Other

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 2 - Demographic Data Summary as of January 01 , 2019 (Valuation Date)

1. Total Number of Active Members	134
2. Total Payroll for Active Members	\$5,746,577
3. Average Payroll for Active Members	\$42,885
4. Number of Vested Members	6
5. Retired Members:	
a. Number of Normal Retired members	105
b. Number of DROP Members	0
c. Total Number of Retired Members	105
d. Benefits for Normal Retired Members	\$714,665
e. Benefits for DROP Members	\$0
f. Total Benefits for Retired Members	\$714,665
6. Benefits Members:	
a. Number of Disability Benefit Members	5
b. Number of Surviving Spouse Benefit Members	8
c. Number of Surviving Child Benefit Members	0
d. Total Number of Benefit Members	13
e. Benefits for Disability Benefit Members	\$35,540
f. Benefits for Surviving Spouse Benefit Members	\$49,668
g. Benefits for Surviving Child Benefit Members	\$0
h. Total Benefits for Benefit Members	\$85,208
7. Total Count of Retired and Benefit Members	118
8. Total Benefits for Retired and Benefit Members	\$799,873

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 3 - Demographic Detail - Active Members as of January 01, 2019

DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE										
AGE	1	2	3	4 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	30+
Under 20										
# of Members										
Payroll (\$000)										
20 - 24										
# of Members										
Payroll (\$000)										
25 - 29										
# of Members	2	1	1	1						
Payroll (\$000)	\$65	\$33	\$26	\$47						
30 - 34										
# of Members	3	1	1	1		2				
Payroll (\$000)	\$130	\$38	\$71	\$38		\$81				
35 - 39										
# of Members	2	2	2	1	2	4	1			
Payroll (\$000)	\$78	\$78	\$99	\$47	\$113	\$182	\$35			
40 - 44										
# of Members				1	1	2	1		1	
Payroll (\$000)				\$29	\$13	\$73	\$54		\$50	
45 - 49										
# of Members	2			1	1	4	1	2	1	
Payroll (\$000)	\$76			\$61	\$41	\$160	\$51	\$71	\$44	
50 - 54										
# of Members	2	1		1		1	2	5	2	1
Payroll (\$000)	\$79	\$25		\$63		\$32	\$83	\$199	\$91	\$42
55 - 59										
# of Members		1		1	2	6	3	4	5	3
Payroll (\$000)		\$33		\$52	\$84	\$251	\$125	\$150	\$266	\$158
60 - 64										
# of Members	3	3		4	3	3	2	2	2	3
Payroll (\$000)	\$124	\$130		\$181	\$180	\$135	\$96	\$105	\$66	\$126
65 & Over										
# of Members		1		2	1	2	6	6		6
Payroll (\$000)		\$31		\$73	\$28	\$82	\$233	\$203		\$336
Total Members	14	10	4	13	10	24	16	19	11	13
Total Annual Payroll	\$552	\$368	\$196	\$591	\$459	\$996	\$677	\$728	\$517	\$662
GRAND TOTAL	Members		134		Annual Payroll			\$5,746,000		

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 4 - Demographic Detail - Retired & Vested Members as of January 01, 2019

DEMOGRAPHIC DATA FOR RETIRED MEMBERS			DEMOGRAPHIC DATA FOR MEMBERS TERMINATED WITH VESTING		
Age	Number	Annual Pension Payable	Age	Number	Annual Pension Payable
Under 30			Under 25		
30 - 34			25 - 29		
35 - 39			30 - 34		
40 - 44			35 - 39		
45 - 49	1	\$6,600	40 - 44	1	\$7,800
50 - 54	2	\$12,233	45 - 49	2	\$15,600
55 - 59	4	\$27,997	50 - 54	1	\$7,200
60 - 64	9	\$65,405	55 - 59		
65 - 69	39	\$280,963	60 - 64		
70 - 74	19	\$129,602	65 - 69	1	\$6,600
75 - 79	16	\$99,838	Over 69	1	\$8,400
80 - 84	15	\$92,429	Totals	6	\$45,600
Over 84	13	\$84,806			
Totals	118	\$799,873			

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 5 - Statement of Assets Available for Benefits as of the Valuation Date

	Amount as of Valuation Date	Amount as of Previous Year
Assets		
Cash		
Accrued Interest and Dividends Receivable	\$26,826	\$3,422
Receivables - Employee Contributions	\$48,586	\$48,617
Receivables - Employer Contributions		
Receivables - State Aid		
Other Receivables - Recovered Pension Payments	\$900	\$0
Investments at Market Value - Money Markets and other Cash Investments	\$22,245,636	\$3,603,850
Investments at Market Value - Mutual Funds	\$70,491,287	\$70,476,768
Investments at Market Value - Stocks and other Equities		
Investments at Market Value - Bonds and other Fixed Income		
Insurance/Annuity Cash Surrender Value (Individual Policies)		
Other Assets		
Total Assets	\$92,813,235	\$74,132,657
Current Liabilities		
Accounts Payable and Accrued Administrative Expenses		
Other Current Liabilities - Benefits Payables		
Other Liabilities - Due to Firemen and Police Pension Plans	(\$86,301,995)	(\$69,608,338)
Other Liabilities - Accrued Administrative Expenses	(\$1,241)	\$0
Total Liabilities	(\$86,303,236)	(\$69,608,338)
Net Assets Available for Benefits (Market value) as of Valuation Date	\$6,509,999	\$4,524,319

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 6 - Statement of Revenue, Expenses and Change in Fund Assets

	Amount as of Valuation Date	Amount as of Previous Year
Net Assets at Beginning of Year (Market value)	\$4,524,319	\$3,671,902
Revenues:		
Member Contributions	\$42,477	\$36,122
Municipal Contributions	\$759,299	\$1,313,328
Interest Earnings/Dividend Income	(\$238,159)	\$468,150
Realized/Unrealized Capital Gains/Losses		
Other Revenue or Credits - Note Proceeds	\$2,307,517	\$0
Total Revenues	\$2,871,134	\$1,817,600
Expenses:		
Total Benefit Payments (Lump Sum)		
Total Benefit Payments (Monthly)	\$815,688	\$834,063
Annuity Purchases (Lump Sum)		
Insurance Premiums		
Refund of Member Contributions	\$3,047	\$19,250
Lump Sum DROP Account Payments		
Actuarial Costs	\$2,150	\$11,200
Investment Costs		
Other Expenses or Debits - Administrative Expenses	\$64,569	\$100,670
Total Expenses	\$885,454	\$965,183
Net Assets at End of Year (Market value)	\$6,509,999	\$4,524,319

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 7 - Additional Financial Data

Actual Municipal Deposit	
a. Contributions Receivable at beginning of year	
b. Contributions Receivable at end of year	
Administrative Expenses	\$66,719

Step 8 - Presentation of Actuarial Present Value of Future Benefits as of the Valuation Date

Actuarial Present Values for Active Members

Retirement Benefits	\$3,495,470
Disability Benefits	\$186,118
Survivor Benefits	\$0
Liability for the Refund of Member Contributions	\$0
Vested Withdrawal Benefits	\$96,286
Other Active Benefits	\$0
Total Active Benefits	\$3,777,874

Actuarial Present Values for Non- Active Members and Benefit Recipients

Deferred Vested Benefits	\$324,093
Retirement Benefits	\$6,259,407
Disability Benefits	\$364,425
Survivor Benefits	\$364,227
Total Monies Accumulated in DROP Participation Accounts	\$0
Other Non-Active Benefits	\$0
Total Non-Active Benefits	\$7,312,152

Total Actuarial Present Value of Future Benefits (Without Adjustments)	\$11,090,026
Total Adjustments for Ancillary Benefits Valued Through Approximation Techniques	\$0
Total Actuarial Present Value of Future Benefits	\$11,090,026

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 9 - Summary of Actuarial Data

1. Actuarial Present Value of Future Benefits	\$11,090,026
2. Actuarial Present Value of Future Normal Costs	\$562,142
3. Actuarial Accrued Liability	\$10,527,884
4. Actuarial Value of Assets	\$6,985,820
5. Unfunded Actuarial Accrued Liability	\$3,542,064
6. Normal Cost	
a. As a dollar amount	\$72,010
b. As a percentage of total annual payroll	1.25000%
7. Average Administrative Expenses	\$65,860
8. Annual Covered Payroll	\$5,746,577
9. Amortization Contributions	
a. For amortization of initial unfunded actuarial accrued liability established 1/1/85	
1. Amortization period remaining (years)	6
2. Amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date	\$130,737
3. Amortization contribution calculated as a level percentage of payroll for the plan year beginning on valuation date	\$119,210
b. For amortization of all increases or decreases in unfunded actuarial accrued liability occurring after 1/1/85 or the initial UAL's establishment	
1. Aggregated Amortization period (years)	6
2. Aggregated Amortization contribution calculated as a level dollar amount for the plan year beginning on valuation date	\$597,721
c. Modified Total Amortization Requirement	\$0
d. Total Amortization Requirement	\$716,931
10. Actual or Estimated Member Contributions	\$35,688

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 10 - Summary of Acuarial Data (Split Funded)

11. Actuarial Present Value of Insurance/Annuity Contract Cash Values at Retirement

12. Adjusted Actuarial Present Value of Future Benefits

13. Adjusted Actuarial Present Value of Future Normal Costs

14. Adjusted Actuarial Accrued Liability

15. Actuarial Value of Assets

16. Adjusted Unfunded Actuarial Accrued Liability

17. Adjusted Normal Costs

18. Annual Insurance/Annuity Premium Payments

19. Gross Adjusted Normal Cost

a. As a dollar amount

b. As a percentage of payroll

20. Adjusted Amortization Contributions

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 11 - Presentation of the Determination of Minimum Municipal Obligation (MMO) for the year ended on Valuation Date

A. Identification of the Actuarial Valuation Report	1/1/2017
B. Development of Minimum Municipal Obligation	<input type="checkbox"/>
1. Total Annual Payroll	\$5,800,000
2. Total Normal Cost	1.35000%
3. Total Projected Normal Cost	\$78,300
4. Total Amortization Requirement	\$648,124
5. Total Administrative Expenses	\$65,000
6. Total Financial Requirements	\$791,424
7. Member Contributions	\$36,500
8. Funding Adjustment	\$0
9. Minimum Municipal Obligation (MMO)	\$754,924
10. Delinquent MMO Plus Interest	\$0
11. Total MMO	\$754,924
C. Amortization Contribution Reduction	
1. Reduction of Amortization Contribution	\$0
2. Re-Calculated MMO	\$754,924

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 12 - Presentation of the Determination of Minimum Municipal Obligation (MMO) for the Prior Year

A. Identification of the Actuarial Valuation Report	1/1/2015
B. Development of Minimum Municipal Obligation	<input type="checkbox"/>
1. Total Annual Payroll	\$5,800,000
2. Total Normal Cost	1.49000%
3. Total Projected Normal Cost	\$86,420
4. Total Amortization Requirement	\$1,201,908
5. Total Administrative Expenses	\$65,000
6. Total Financial Requirements	\$1,353,328
7. Member Contributions	\$40,000
8. Funding Adjustment	\$0
9. Minimum Municipal Obligation (MMO)	\$1,313,328
10. Delinquent MMO Plus Interest	\$0
11. Total MMO	\$1,313,328
C. Amortization Contribution Reduction	
1. Reduction of Amortization Contribution	\$0
2. Re-Calculated MMO	\$1,313,328

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 13 - Amortization of Unfunded Actuarial Accrued Liability

Part A - Initial Unfunded Actuarial Accrued Liability

Source	Amount of Liability	Date Established	Amortization Period	Remaining Balance	Amortization Contribution
Initial Liability	\$840,732	1/1/1985	40	\$663,215	\$119,210

Part B - Changes in Unfunded Actuarial Accrued Liability

Source	Description	Amount of Liability	Date Established	Amortization Period	Remaining Balance	Amortization Contributions
Benefit Modification - Active		\$9,454	1/1/2000	1	\$720	\$720
Benefit Modification - Active		\$127,258	1/1/2001	2	\$18,835	\$9,747
Other	Investment Loss	\$26,675	1/1/2002	14	\$15,344	\$1,661
Other	Investment Loss	\$878,060	1/1/2003	14	\$524,507	\$56,762
Experience Loss		\$1,040,248	1/1/2005	1	\$112,037	\$112,037
Experience Loss		\$798,719	1/1/2007	3	\$239,474	\$85,472
Assumption Change		(\$786,539)	1/1/2009	10	(\$535,723)	(\$71,943)
Experience Loss		\$3,571,435	1/1/2009	10	\$2,432,572	\$326,673
Assumption Change		(\$82,018)	1/1/2011	7	(\$49,704)	(\$8,674)
Experience Loss		\$1,259,936	1/1/2011	12	\$964,005	\$114,678
Experience Loss		\$1,602,517	1/1/2013	14	\$1,341,620	\$145,189
Assumption Change		\$267,267	1/1/2015	11	\$222,179	\$27,971
Experience Loss		\$789,823	1/1/2015	16	\$710,075	\$71,251
Assumption Change		\$498,678	1/1/2017	13	\$459,061	\$51,942
Experience Gain		(\$1,800,031)	1/1/2017	18	(\$1,713,781)	(\$161,732)
Assumption Change		\$215,631	1/1/2019	15	\$215,631	\$22,425
Experience Gain		(\$2,078,003)	1/1/2019	20	(\$2,078,003)	(\$186,458)
	Total	\$6,339,110			\$2,878,849	\$597,721

Part C - Aggregation of Changes in Unfunded Actuarial Accrued Liability

Remaining Balance of Aggregated Liability	Date of Aggregation	Aggregated Target Date	Aggregated Amortization Period	Aggregated Amortization Contribution
\$2,878,849	1/1/2019	12/31/2024	6	\$597,721

SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 14 - Presentation of Actuarial Assumptions and Methods

ACTUARIAL ASSUMPTIONS

1. Interest Rate	7.250							
2. Salary Projections	4.50%							
3. Disability Rate	100% OF THE UNITED AUTO WORKERS TABLE.							
4. Termination Rate	AT SELECTED AGES:							
	20	25	30	35	40	45	50	55
	60							
	15.0%	15.0%	12.5%	10.0%	7.5%	5.0%	2.5%	0.0%
5. Mortality	RP-2000 MORTALITY TABLE PROJECTED TO 2017 USING SCALE AA.							
6. Retirement Age	AGE 64 AND 20 YEARS OF SERVICE OR AGE ON VALUATION DATE IF GREATER.							
7. Asset Smoothing	ASSETS ARE VALUED USING A 5 YEAR SMOOTHING METHOD DESCRIBED IN INTERNAL REVENUE PROCEDURE 2000-40, APPROVAL 16.							
8. Other (Specify)	NONE.							
9. Other (Specify)	NONE.							
Actuarial Cost Method	ENTRY AGE NORMAL COST METHOD. LEVEL PERCENTAGE OF FUTURE PAYROLL AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY IS BASED UPON A 4.0% ANNUAL INCREASE IN COVERED PAYROLL ASSUMPTION.							

ACTUARIAL CALCULATIONS

1. Average Future Service	10
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Step 15 - Presentation of Benefit Plan Provisions**A. Eligibility Requirement**

	Retirement Age	Years of Service	Relational Selection
Normal Retirement	55	15	And

Early Retirement	AGE 55, 10 YEARS OF SERVICE AND 20 YEARS OF CONTRIBUTIONS.		
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Vesting	15 YEARS OF SERVICE.		
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B. Retirement Benefit	PRE 7/1/87 EMPLOYEES - 75% OF AVERAGE MONTHLY PAY BASED ON FINAL 5 YRS. OF EMPLOYMENT MAX. \$600 AFTER 20 YRS., \$650 AFTER 21-30 YRS., AND \$700 AFTER 31+ YRS.. POST-6/30/87 EMPLOYEES - 75% OF AVERAGE MONTHLY PAY BASED ON FINAL 60 MONTHS OF EMPLOYMENT MAX. \$550 AFTER 20 YRS., \$600 AFTER 21-30 YRS., \$650 AFTER 31+ YRS.		
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C. Survivor Benefit	NONE. THE NORMAL FORM IS A STRAIGHT LIFE ANNUITY. AT THE TIME OF RETIREMENT, RETIREES MAY ELECT AN ALTERNATIVE ACTUARIALLY REDUCED BENEFIT OPTION OF ONE OF THE FOLLOWING: 10 YEAR CERTAIN, 50% JOINT & SURVIVOR OR 100% JOINT & SURVIVOR.		
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D. Disability Benefits

Service Related	AFTER 10 YEARS OF SERVICE AND BEFORE AGE 55 AND 20 YEARS OF CONTRIBUTIONS - 70% OF AVERAGE MONTHLY SALARY. PRE 7/1/87 EMPLOYEES MAX \$600 AFTER 20 YEARS, \$650 AFTER 21-30 YEARS AND \$700 AFTER 31 + YEARS. POST 6/30/87 EMPLOYEES MAX \$550 AFTER 20 YEARS, \$600 AFTER 21-30 YEARS AND \$650 AFTER 31 + YEARS.		
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Non-Service Related	SAME AS SERVICE RELATED BENEFIT.		
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E. Post Retirement Adjustments	NONE.		
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F. DROP Benefit	NONE.		
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G. Other Benefit	NONE.		
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H. Member Contributions

Amount or Rate	3% OF PAY (PRE 7/1/87 EMPLOYEES - MAXIMUM \$24/MONTH. POST 6/30/87 EMPLOYEES - \$22/MONTH), OR OTHER AMOUNT DETERMINED BY ORDINANCE.		
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Interest Rate Credited to Member Contributions	NONE.		
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SCRANTON - NON UNIFORM - DEFINED BENEFIT

Step 16 - Certification

Actuary Signature:

☒ By checking this box and typing my name in the text box, I hereby certify that I have prepared and reviewed the actuarial data and information entered on this form and that the data and information provided is to the best of my knowledge true and accurate.

Lawrence Brisman

(Name)

Beyer-Barber Company

(Firm Name)

SCRANTON CITY Signature:

☒ By checking this box and typing my name in the text box, I hereby certify that to the best of my knowledge the information provided is complete, true and accurate.

Rebecca McMullen

(Name)

(570) 348-4118

(Phone)

Finance Manager

(Title)

Date	User	Comments
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