

Retirement Plan for Employees of City of Jonesboro, Arkansas

Independent Actuarial Study

Outline of Services to be Performed by Wertz & Associates, Inc.

In response to the City's RFP #2008-15, Wertz & Associates, Inc. (W&A) provided a Fee Proposal on June 3, 2008. Our Fee Proposal described the various services that would be performed by W&A and the fee basis for providing those services. Our Fee Proposal also provided background information about our firm and brief biographies of those individuals that would be responsible for the work done by our firm.

1. Review of Plan Document
 - a. Outline of Major Plan Provisions
 - b. Assist Management in Formally Adopting Plan Benefit and Cost Objectives
 - c. Commentary on Plan Design Features
 - d. Regulatory Compliance

2. Review of Actuarial Valuation Reports
 - a. Review of Recent Experience vs. Actuarial Assumptions
 - i. Provide Commentary Where W&A Believes that Changes in Assumptions Might be Considered
 - b. Review of Funded Status with Commentary
 - i. Actuarial Equivalence Basis
 - ii. Market Value Basis
 - iii. Ongoing vs. Plan Termination Basis
 - c. Re-do of Most Recent Actuarial Valuation Report as Prepared by The Principal Based on W&A Assumptions and Procedures
 - i. Provide Management Summary of Results
 - ii. Funding Recommendations
 - iii. Highlight Where W&A Valuation Results Differ Significantly from Prior Actuary's Results
 - d. Listing of Employees Showing Pertinent Census Data
 - e. Benefit Report Showing Each Participant's Average Compensation, Projected Benefit, Accrued Benefit, and Vested Under the Terms of the Plan
 - f. Preparation of Individual Participant Statements (If Requested)
 - i. Statements Would Show Each Participant's Projected Benefit, Accrued Benefit, Vested Benefit and Value of Employee Contributions Account (if Any)

3. Provide Analysis of Certain Benefit Enhancements Being Considered by the City – Calculate & Report the Cost Projected Cost Impact of Various Proposed Enhancements Presented in a Manner that will Enable the City to Evaluate Individual Enhancements or Various Combinations of Enhancements
 - a. Enhanced Survivor Benefits
 - b. Enhanced Disability Benefits
 - c. Increasing the Current Benefit Multiplier
 - i. Prospective and/or Retroactive Application
 - d. Changing Average Compensation Period from 5 Years to 3 Years
 - e. Adopting a “DROP” Provision Similar to APERS
 - f. Adding a Fully Subsidized “28 & Out” Early Retirement Benefit
4. Review of Financial Statement Disclosures
 - a. Governmental Accounting Standards Board Statements Compliance
 - b. GASB Statement Number 25
 - c. GASB Statement Number 27
 - a. Review of Assumptions and Presentation