

Brief Summary of Plan Provisions as of December 31, 2011

GROUP	ELIGIBILITY	STRAIGHT LIFE AMOUNT*
NORMAL RETIREMENT		
Local 1128 AFSCME (Hired before 8/4/88)	Age 55 with 8 or more years of service (10 or more years if hired after 8/1/82) or 25 years of service regardless of age.	55% of 5 year highest final average earnings (FAE).
Local 1917 (Hired before 8/4/88)	Age 55 with 8 or more years of service or 25 years of service regardless of age.	55% of 5 year highest FAE.
TGM/AEA (Hired before 5/18/88)	Age 55 with 4 or more years of service or 25 years of service regardless of age.	FAE times 30% for first 4 years of service, an additional 6.25% for years 5-8 and 10% for 13 th year to max 65%.
Elected Officials (Hired before 11/27/89)	Age 55 with 4 or more years of service or 25 years of service regardless of age.	FAE times 30% for first 4 years of service, an additional 6.25% for years 5-8 to max 55%.
Local 1128 AFSCME and Local 1917 (Hired on or after 8/4/88)	Age 55 with 10 or more years of service (50 with 25 as of 1/1/2009). Excludes members hired after 12/22/04.	FAE times 2.2% times total service to max of 25 years.
TGM/AEA (Hired on or after 5/18/88)	Age 55 with 5 or more years of service. Excludes TGM hired after 3/6/01.	FAE times 30% for first 5 years of service, 2.5% for years 6-12, 5% for 13 th year, 7.5% for 14 th year and 5% for 15 th year to max 65%.
Elected Officials (Hired on or after 11/27/89.)	Age 55 with 5 or more years of service. Excludes City Council elected on or after 11/25/97, Judges elected on or after 10/1/08 and Mayor, clerk, treasurer elected on or after 11/8/05.	FAE times 30% for first 5 years of service, an additional 2.5% for years 6-15 to max 55%.
DEFERRED RETIREMENT		
Local 1128 AFSCME (Hired before 8/4/88)	8 years of service (10 years of service if hired after 8/1/82). Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
Local 1917 (Hired before 8/4/88)	8 years of service. Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
TGM/AEA (Hired before 5/18/88) and Elected Officials (Hired before 11/27/89)	4 years of service. Benefit begins at age 55.	Computed as normal retirement benefit based on service and FAE at date of termination.
Local 1128 and Local 1917 (Hired on or after 8/4/88)	10 years of service. Benefit begins at age 55. Excludes members hired after 12/22/04.	Computed as normal retirement benefit based on service and FAE at date of termination.
TGM/AEA (Hired on or after 5/18/88) and Elected Officials (Hired on or after 11/27/89)	5 years of service. Benefit begins at age 55. Excludes City Council elected on or after 11/25/97 and TGM hired after 3/6/01.	Computed as normal retirement benefit based on service and FAE at date of termination.

The System also provides early retirement, late retirement, disability and death-in-service survivor benefits which you or your spouse may be eligible to receive.

* Reduced optional forms of payment are also available to provide a benefit for an eligible survivor.

City of Taylor General Employees Retirement System

SUMMARY ANNUAL REPORT TO MEMBERS DECEMBER 31, 2011

Dear Taylor General Employees Retirement System Member:

The Retirement System is designed to help you meet the financial needs of you and your family by providing a pension in the event you should retire, become disabled, or die.

The benefits are administered by the City of Taylor, and funded by contributions and investment earnings. The System retains professional advisors to assist in fulfilling its responsibilities.

The summary report has been prepared to give you a brief overview of the Retirement System and how it operates. We hope you will find it useful and informative. However, this summary is not intended to cover all the details of the Retirement System, which is governed by the provisions of the City's charter, the City's retirement ordinance, and any applicable collective bargaining agreements. Additional information about the Retirement System and its financial operation is available in the Department of Human Resources and the Treasurer's office.

Respectfully submitted,

Jeffrey Lamarand
Mayor, City of Taylor

Board of Trustees

Cecilia Paré, Chairperson and 1917 Representative
Dan Bzura, Mayor's appointee
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David Fairbairn, TGM Representative
Sheila Gorski-Schulte, Human Resource Director
Barb Hall, 1128 Representative

Actuary

Gabriel Roeder Smith & Company

Legal Counsel

VanOverbeke, Michaud & Timmony, P.C.

Investment Consultant

Merrill Lynch

Investment Managers

Advisory Research
Aletheia Research
Alliance Bernstein
Becker Capital Management
Insight Capital
Janus Capital

Custodial Bank

Allmerica Financial
Comerica Trust Department

SUMMARY RESULTS OF ACTUARIAL VALUATION

Your Retirement Plan's financial objective is to establish and receive contributions that will remain approximately level from year-to-year and will not have to be increased for future generations of taxpayers.

To determine an appropriate Employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel Roeder Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the Plan's future demographic and economic activity. The results of the December 31, 2011 valuation, based on continuing the established funding objective, are summarized below:

Funded Status - Pension Benefits	
Actuarial Accrued Liabilities	\$ 72,502,790
Actuarial Value of Assets	\$ 45,245,442
Percent Funded	62.4%

Computed City Contributions for the Fiscal Year Beginning

	July 1, 2013	July 1, 2012
1. Actuarial Present Value of Past & Future Benefits	\$ 74,508,401	\$74,608,055
2. Funding Value of Assets	45,245,442	47,695,134
3. Present Value of Future Employee Contributions	1,299,474	1,523,006
4. Unfunded Actuarial Accrued Liability: [(1) - (2) - (3)]	27,963,486	25,389,915
5. City's Annual Normal Cost*	\$ 2,359,087	\$ 3,066,961

* This is expected to be contributed on October 1, 2012 for the fiscal year beginning July 1, 2012 and October 1, 2013 for the fiscal year beginning July 1, 2013. If contributions are delayed, interest should be added at a rate of .00643 for each month of delay. Contributions are subject to change if underlying assumptions are changed.

Annual Required Contribution for Fiscal Year Ending June 30, 2012

Annual Required Contribution	\$ 2,657,993
Actual Employer Contribution	\$ 2,657,993
Percent Contributed	100%

PLAN MEMBERSHIP

Active Member

Count	91
Payroll	\$ 4,910,470

Retirees/Beneficiaries

Count	233
Total Annual Benefits	\$ 6,055,251
Average Annual Benefit	\$ 25,988

Deferred Vested Members

Count	17
Total Estimated Annual Benefits	\$ 392,646

CHANGE IN PLAN ASSETS FOR CALENDAR YEAR 2011

Additions:

Contributions	
Employer	\$ 2,657,993
Plan members	\$ 761,906
Total	3,419,899
Investment Income	(1,182,367)
Total Additions	\$ 2,237,532

Deductions:

Benefits Paid	\$ 5,957,090
Administrative Expenses	47,973
Other	0
Total Deductions	\$ 6,005,063

Net Increase \$ (3,767,531)

Net assets held in Trust Fund at Fair Value:

Beginning of year	\$ 42,634,703
End of year	38,867,172

Actuarial Value of Assets \$ 45,245,442

MARKET VALUE RATE OF RETURN

Average Annual Market Rate of Return Period Ending December 31, 2011

1 Year	(2.9)%
3 Years	6.5%
5 Years	1.6%
7 Years	3.2%
10 Years	3.9%

ACTUARIAL ASSUMPTIONS FOR VALUATIONS

Assumed Rate of Investment Return

8.0%

Assumed Rate of Long-term Wage Inflation

2.5%

Smoothing Method for Actuarial Value of Assets

5-year smoothed market

Amortization Method and Period

Level dollar closed for 30 years as of December 31, 2011
13 years as of December 31, 2010
14 years as of December 31, 2009

Actuarial Cost Method

Aggregate