

DEAN ACTUARIES, LLC

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March, 2021

Anthony Francisco
City of Norman
PO Box 370
Norman, OK 73070-0370

Re: Actuarial Valuation of Your Pension Plan Covering Retired Employees

We have prepared an actuarial valuation of the assets and liabilities of your Oklahoma Municipal Retirement Fund retirement plan covering a closed group of nonactive participants. The enclosed exhibits summarize the results of this valuation:

Exhibit 1 Compares the market value of plan assets with the present value of future payments to all participants. The assets of the plan are *less than* the plan liabilities using the actuarial assumptions employed, indicating that the funded status of the plan may be insufficient in the long term.

The City should recognize that the plan may require additional contributions to meet future obligations. We recommend contributing the 10-year amortization amount shown in the exhibit. The amortization amount will be recalculated with each annual actuarial valuation of the plan, and may increase or decrease depending on variations in mortality, cost of living adjustments, and investment earnings relative to the long term actuarial assumptions.

Exhibit 2 Summarizes the ages and benefit amounts of the participants by category.

Exhibit 3 Lists the specific census information used in the valuation. Please review this information to make sure it is consistent with your records.

There were no changes in the actuarial assumptions used in the valuation. Actuarial assumptions are reviewed each year and revised as needed.

We would be happy to discuss these results with you by phone and to answer any questions you or the auditor may have.

Sincerely,



Sean M. Sullivan, FSA
Consulting Actuary

c: Jodi Cox

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Norman, Oklahoma**

FUNDED STATUS OF THE PLAN AS OF JULY 1, 2020

	<u>Count</u>	<u>Present Value of Benefits</u>
Employees with frozen benefits	0	\$0
Retirees	5	192,659
Survivors	1	34,420
Disabled	0	0
Deferred Vested	0	0
Nonvested (refunds due)	<u>0</u>	<u>0</u>
Totals	6	\$227,079
Market Value of Assets		\$162,162
Deficiency (Surplus)		\$64,917
Funded Percentage		71%

Plan assets are not currently sufficient.

Plan Funding Requirement

Annual contribution payable for 10 years commencing July 1, 2021 sufficient to amortize the funding deficiency	\$9,350
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Actuarial Basis

Interest rate	7.25% per annum
Mortality	PubG-2010 (projected)
Cost of Living Adjustments	none
Retirement Age for Deferred Vested	65