



Comparison of Net Pension Liability (NPL) and Actuarial Accrued Liability (AAL)

As of 12/31/2020

Actuary	Amount	GASB	Amount	Difference	% Difference
Actuarial Accrued Liability*	\$58,144,767	Total Pension Liability	\$56,552,376	\$1,592,391	3%
Actuarial Assets**	\$41,494,055	Market Value of Assets	\$42,673,669	(\$1,179,614)	-3%
Unfunded Accrued Liability	\$16,650,712	Net Pension Liability	\$13,878,707	\$2,772,005	17%
Funded Ratio	71%	Funded Ratio	75%		

* Actuarial and Total Pension Liability differences arise from the Actuary using an 7.35% assumed rate of return for funding purposes and GASB requiring an 7.60% assumed rate of return to be used, reflecting the long term expected rate of return, net of investment expenses but gross of administrative expenses. The actuary rate of return is calculated at the long term expected rate of return, net of investment and administrative expenses.

** Actuarial and Market Value difference arises from the actuarial values of assets being recorded at .972357 times the market value of assets due to smoothing of prior asset gains and losses.

The State of Michigan requires a 7% assumed rate of return which causes the liabilities to be higher for filling out form #5572 under PA 202.