

**Economic Vitality Incentive Program/County Incentive Program
FY 2014 Unfunded Accrued Liability Plan**

Local Unit Name: City of Holland

Local Unit Code: 702040

**PREVIOUS ACTION TAKEN
TO REDUCE UNFUNDED ACCRUED LIABILITIES**

| Previous Actions Taken To Reduce Unfunded Accrued Liabilities | | |
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| | Unfunded Accrued Liability Type | Previous Action Taken |
| 1. | OPEB | Required payment of full amount of self-funded recommended insurance premiums for retirees as opposed to a lower premium. |
| 2. | Pension | Additional employee contributions for existing DB employees |
| 3. | Pension | All new non-union employees on DC plan since 2003 |
| 4. | Pension | Additional contributions made for UAL above required payments |

| How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken |
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| <p>Recommended insurance premiums/rates will continue to be required for all retirees. Also, no changes in the monthly stipends are expected (current actuarial assumptions assume inflationary increases).</p> <p>Pension UAL will decrease with the closed non-union groups with normal contributions, but additional funds were contributed in FY2014 and are budgeted for FY2015. Non-union DB employees will contribute additional funds in FY2105. Negotiations with one union resulted in additional employee contributions in the current contract, and are a priority for all union negotiations. Changes in the current DB plan are under consideration for all union employees.</p> |

| Additional Actions That Could Be Implemented | |
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| <small>Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.</small> | |
| 1. | An OPEB Trust Fund could be created with annual contributions made to pre-fund the liability. |
| 2. | A surcharge could be placed on retirees' insurance premiums. |
| 3. | Changes in the DB plan for union employees could be negotiated. |