



***COVENTRY MUNICIPAL EMPLOYEES
RETIREMENT PLAN***

ACTUARIAL VALUATION

As of July 1, 2009

For Fiscal Year ending June 30, 2011



80 Lambertson Road
Windsor, CT 06095
USA

Main +1 860 687 2110
Fax +1 860 687 2111

January 13, 2011

milliman.com

PERSONAL & CONFIDENTIAL

Mr. Theodore Przybyla
Finance Director
Town of Coventry
1670 Flat River Road
Coventry, RI 02816

Re: Coventry Municipal Employees Retirement Plan

Dear Ted:

At your request, we have performed an actuarial valuation of the Coventry Municipal Employees Retirement Plan as of July 1, 2009 for the Fiscal Year ending June 30, 2011. The results of the valuation are contained in the following report.

Respectfully submitted,

MILLIMAN INC.

A handwritten signature in black ink, appearing to read 'Steve'.

Steve A. Lemanski, FSA, FCA
Consulting Actuary

SAL/dlc 10 COL2008GENValRpt.doc

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
CERTIFICATION	1
I EXECUTIVE SUMMARY	
A. Highlights	3
B. Summary of Principal Results	8
II PLAN ASSETS	
A. Summary of Fund Transactions	9
B. Development of Actuarial Value of Assets	10
C. Determination of Asset Gain/(Loss)	11
III DEVELOPMENT OF CONTRIBUTION	
A. Past Service Cost	12
B. Annual Required Contribution	13
IV ACCOUNTING INFORMATION	
A. Schedule of Funding Progress	14
B. Schedule of Employer Contributions	15
C. Accrued and Vested Benefits	16
D. Statement of Changes in Accrued Plan Benefits	17
V MEMBERSHIP DATA	
A. Reconciliation of Membership from Prior Valuation	18
B. Statistics on Active Membership	19
C. Distribution of Active Members by Age and Service	20
D. Projected Annual Benefit Payments	21
APPENDICES	
A. Actuarial Funding Method	27
B. Actuarial Assumptions	28
C. Summary of Plan Provisions	29

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

CERTIFICATION

We have performed an actuarial valuation of the plan as of July 1, 2009 to determine the Town's contribution for the fiscal year ending June 30, 2011. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Documentation of the current status of plan investments.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters, which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

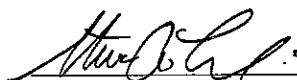
CERTIFICATION

In preparing this report, we relied on census and financial information as of the valuation date furnished by the Town of Coventry and the Principal Financial Group. We performed a limited review of the financial information used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the financial information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices. We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MILLIMAN INC.



Steve A. Lemański, FSA, FCA
Consulting Actuary
Joint Board Enrollment #08-5506

January 13, 2011

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION I - EXECUTIVE SUMMARY

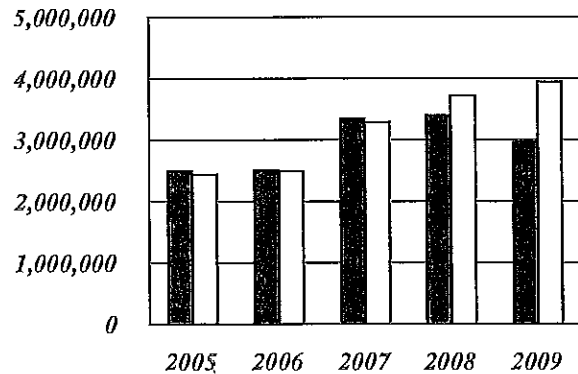
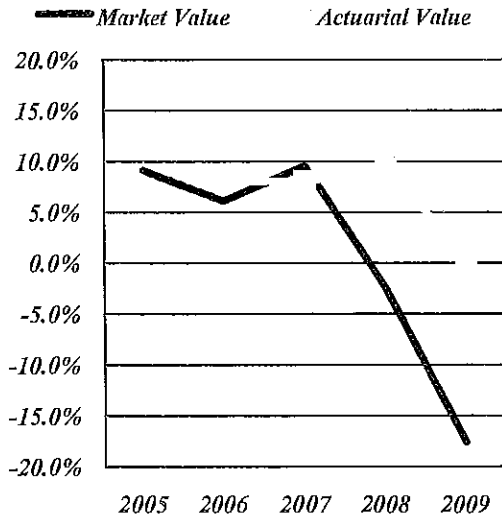
A. Highlights

Assets

There are two different measures of the plan's assets that are used throughout this report. The **Market Value** is a snapshot of the plan's investments on a market value basis as of the valuation date, including accrual adjustments. The **Actuarial Value** is a smoothed asset value designed to temper fluctuations in the market by recognizing investment gains or losses over several years.

	<i>Market</i>	<i>Actuarial</i>
Value as of July 1, 2008	\$3,399,351	\$3,720,455
Contributions	718,302	718,302
Benefits and Expenses	(525,512)	(525,512)
Investment Income	(615,720)	30,018
Value as of July 1, 2009	2,976,421	3,943,263

Historical asset levels are shown in the graph to the right; historical rates of return are shown below.



For the period July 1, 2008 to July 1, 2009, the plan's assets earned -17.61% on a Market Value basis and 0.79% on an Actuarial Value basis. The actuarial assumption for this period was 8.00% per year; the result is a loss of \$895,000 on a Market Value basis and a loss of \$274,000 on an Actuarial Value basis.

Please note that the Actuarial Value currently exceeds the Market Value by \$970,000. This figure represents investment losses that will be gradually recognized over the next five years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

This work product was prepared solely for the Town of Coventry for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

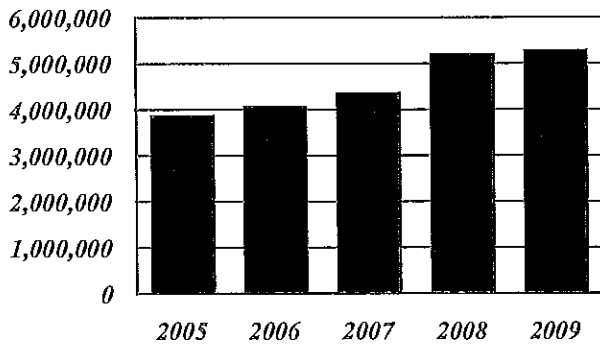
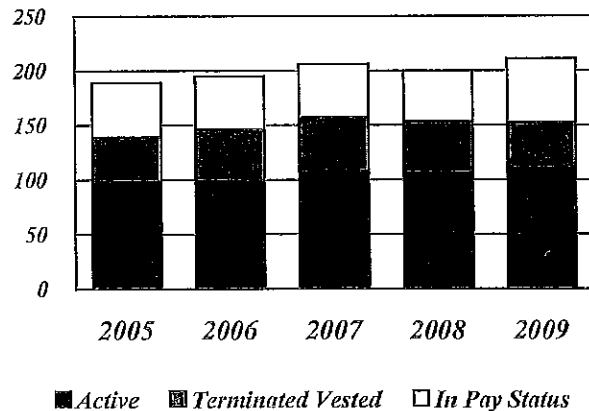
SECTION I - EXECUTIVE SUMMARY

A. Highlights

Membership

There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits.

From July 1, 2008 to July 1, 2009, the overall membership increased from 200 to 211. The graph to the right shows how the membership has changed over the past several valuations. See Section V for a detailed outline of membership changes from the prior valuation.



The graph to the left shows total covered payroll for the past several valuations.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION I - EXECUTIVE SUMMARY

A. Highlights

Plan Changes

None.

Actuarial Assumption Changes

None.

Actuarial Method Changes

None.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION I - EXECUTIVE SUMMARY

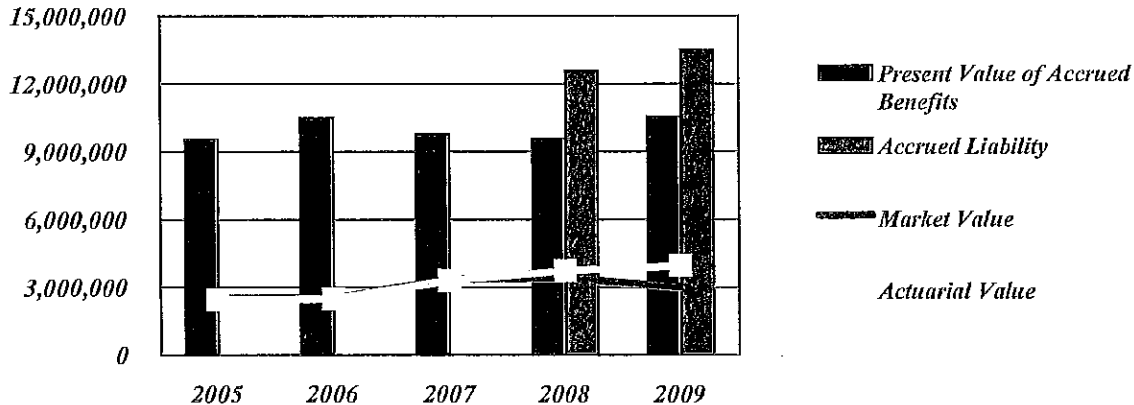
A. Highlights

Funded Status

Two different measures of liability are commonly used to evaluate a plan's funded status:

- **Present Value of Accrued Benefits** is used for informational purposes and is based on service and payroll as of the valuation date. The liability for accrued benefits can be used as a measure of the funded status of the Plan, and is traditionally compared to the Market Value of Assets.
- **Accrued Liability** is used for determining contribution levels. It is based on future payroll projections with service credits as of the valuation date. Since it is our funding target, it is traditionally compared to the Actuarial Value of Assets.

The following graph shows these key measures for the past several valuations:



COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

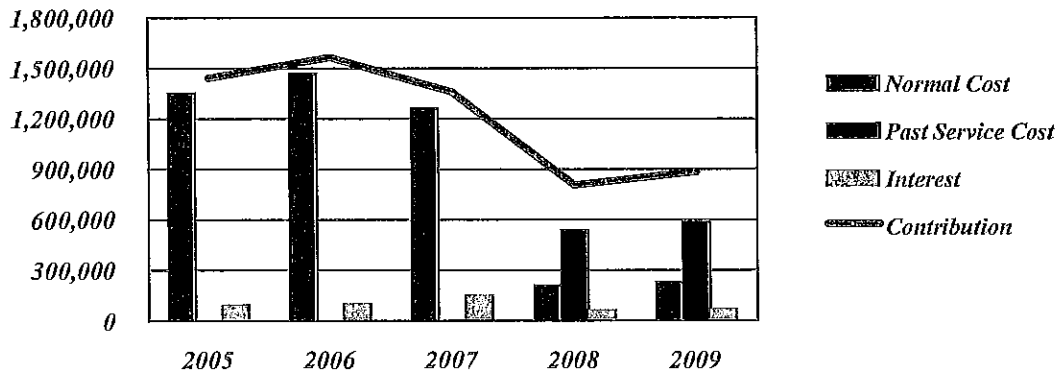
SECTION I - EXECUTIVE SUMMARY

A. Highlights

Contribution

The contribution consists of three pieces: a *Normal Cost* payment to fund the benefits earned each year, a *Past Service Cost* to gradually reduce any unfunded or surplus accrued liability, and *Interest* to the end of the year. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

Contribution levels for the current valuation and the past few valuations are shown below.



COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION I - EXECUTIVE SUMMARY

B. Summary of Principal Results

	<i>July 1, 2008</i>	<i>July 1, 2009</i>
<i>Membership</i>		
Active Members	106	110
Terminated Vested Members	47	42
Members in Pay Status	47	59
Total Covered Payroll	\$5,191,786	\$5,275,025
Average Covered Payroll	48,979	47,955
 <i>Assets and Liabilities</i>		
Market Value of Assets	\$3,399,351	\$2,976,421
Actuarial Value of Assets	3,720,455	3,943,263
 Accrued Liability		
Active Members	\$8,158,172	\$8,310,642
Terminated Vested Members	922,667	858,817
Members in Pay Status	3,507,767	4,311,577
Total Accrued Liability	12,588,606	13,481,036
 Unfunded Accrued Liability	 8,868,151	 9,537,773
 <i>Annual Required Contribution</i>		
Normal Cost	\$209,023	\$228,435
Past Service Cost	537,790	592,933
Interest	59,745	65,709
Total Contribution	806,558	887,077
 Contribution as a Percent of Covered Payroll	 15.54%	 16.82%

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION II - PLAN ASSETS
A. Summary of Fund Transactions

	<i>Market Value</i>
<i>Balance, July 1, 2008</i>	\$3,399,351
Employer Contributions	550,000
Employee Contributions	168,302
Benefit Payments	(484,536)
Cash Refunds	0
Expenses	(40,976)
Miscellaneous	0
Investment Income	(615,721)
<i>Balance, June 30, 2009</i>	2,976,421
<i>Approximate Investment Return</i>	-17.61%

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION II - PLAN ASSETS

B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period. The Actuarial Value of Assets as of July 1, 2009 is determined below.

1. Expected Market Value of Assets:			
a. Market Value of Assets as of July 1, 2008			\$3,399,351
b. Employer and Employee Contributions			718,302
c. Benefits and Expenses			(525,512)
d. Expected Investment Return Based on 8.00% Interest			279,714
e. Expected Market Value of Assets as of July 1, 2009:			3,871,856
(a) + (b) + (c) + (d)			
2. Actual Market Value of Assets as of July 1, 2009			2,976,421
3. Market Value Gain/(Loss): (2) - (1e)			(895,435)
4. Delayed Recognition of Market Gains/(Losses):			
		Percent	Amount
<u>Plan Year End</u>	<u>Gain/(Loss)</u>	<u>Not Recognized</u>	<u>Not Recognized</u>
06/30/2009	(\$895,435)	80%	(\$716,348)
06/30/2008	(460,357)	60%	(276,214)
12/31/2006	74,776	40%	29,910
12/31/2005	(20,948)	20%	<u>(4,190)</u>
			(966,842)
5. Actuarial Value as of July 1, 2009: (2) - (4)			3,943,263

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION II - PLAN ASSETS

C. Determination of Asset Gain / (Loss)

The asset gain/(loss) is the difference between the expected and actual values of the Actuarial Value of Assets. The asset gain/(loss) for the fiscal year ending June 30, 2009 is determined below.

1. Expected Actuarial Value of Assets:	
a. Actuarial Value of Assets as of July 1, 2008	\$3,720,455
b. Employer and Employee Contributions	718,302
c. Benefits Paid	(525,512)
d. Expected Investment Return Based on 8.00% Interest	303,980
e. Expected Actuarial Value of Assets as of July 1, 2009	4,217,225
(a) + (b) + (c) + (d)	
2. Actual Actuarial Value of Assets as of July 1, 2009	3,943,263
3. Asset Gain/(Loss): (2) - (1e)	(273,962)
4. Approximate Net Rate of Return	0.79%

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION III - DEVELOPMENT OF CONTRIBUTION

A. Past Service Cost

For determining the past service cost/(credit), the Unfunded Accrued Liability/(Surplus) is amortized over a 25 year period starting on July 1, 2008. The amortization method produces payments that will remain a level percent of payroll.

	<i>July 1, 2008</i>	<i>July 1, 2009</i>
1. Accrued Liability		
Active Members	\$8,158,172	\$8,310,642
Terminated Vested Members	922,667	858,817
Members in Pay Status	3,507,767	4,311,577
Total Accrued Liability	12,588,606	13,481,036
2. Actuarial Value of Assets (see Sec. II B)	3,720,455	3,943,263
3. Unfunded Accrued Liability/(Surplus)	8,868,151	9,537,773
4. Amortization Period (in years)	25	24
5. Amortization Method	Level Percent	Level Percent
6. Past Service Cost/(Credit):	537,790	592,933
(3) amortized over (4)		

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION III - DEVELOPMENT OF CONTRIBUTION

B. Annual Required Contribution

The development of the Annual Required Contribution is shown below, with the results from the prior valuation shown for comparison.

<i>Valuation Date</i>	<i>July 1, 2008</i>	<i>July 1, 2009</i>
<i>For Fiscal Year(s)</i>	<i>2009 and 2010</i>	<i>2011</i>
1. Total Normal Cost	\$408,097	\$413,836
2. Expected Employee Contributions	217,774	227,601
3. Expected Expenses	18,700	42,200
4. Net Normal Cost: (1) - (2) + (3)	209,023	228,435
5. Past Service Cost (see Sec. III A)	537,790	592,933
6. Interest on (4) + (5) to end of fiscal year	59,745	65,709
7. Annual Required Contribution: (4) + (5) + (6)	806,558	887,077
8. Covered Payroll	5,191,786	5,275,025
9. Contribution as a % of Payroll: (7) / (8)	15.54%	16.82%

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION IV - ACCOUNTING INFORMATION

A. Schedule of Funding Progress

<i>Actuarial Valuation Date</i>	<i>(1) Actuarial Value of Assets</i>	<i>(2) Actuarial Accrued Liability (AAL)</i>	<i>(3) Unfunded AAL (UAAL) (2) - (1)</i>	<i>(4) Funded Ratio (1) / (2)</i>	<i>(5) Covered Payroll</i>	<i>(6) UAAL as a Percentage of Covered Payroll (3) / (5)</i>
July 1, 2008	\$3,720,455	\$12,588,606	\$8,868,151	29.6%	\$5,191,786	170.8%
July 1, 2009	3,943,263	13,481,036	9,537,773	29.3%	5,275,025	180.8%

This work product was prepared solely for the Town of Coventry for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION IV - ACCOUNTING INFORMATION

B. Schedule of Employer Contributions

<i>Fiscal Year Ending</i>	<i>Annual Required Contribution</i>	<i>Actual Contribution</i>	<i>Percent Funded</i>
2009	\$806,558	\$550,000	-
2010	806,558	550,000	-
2011	887,077	-	-

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION IV - ACCOUNTING INFORMATION

C. Accrued and Vested Benefits

The actuarially computed Value of Benefits represents the present value of (a) the benefits based on service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	<i>July 1, 2008</i>	<i>July 1, 2009</i>
1. Value of Vested Benefits		
Active Members	\$4,805,006	\$5,103,579
Terminated Vested Members	922,667	858,817
Members in Pay Status	3,507,767	4,311,577
Total Value of Vested Benefits	9,235,440	10,273,973
2. Value of Non-Vested Benefits	316,265	268,921
3. Total Value of Accrued Benefits: (1) + (2)	9,551,705	10,542,894
4. Market Value of Assets	3,399,351	2,976,421
5. Vested Funded Ratio: (4) / (1)	36.8%	29.0%
6. Accrued Funded Ratio: (4) / (3)	35.6%	28.2%

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION IV - ACCOUNTING INFORMATION
D. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during 2008 - 2009 attributable to:

Increase for interest due to the decrease in the discount period	\$745,127
Benefits Accumulated/(Forfeited)	730,598
Benefit Payments	(484,536)
Changes in Actuarial Assumptions	0
Plan Amendments	0
Net Increase/(Decrease)	991,189

Actuarial present value of accrued plan benefits:

July 1, 2009	\$10,542,894
July 1, 2008	9,551,705
Net Increase/(Decrease)	991,189

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION V - MEMBERSHIP DATA

B. Statistics of Active Membership

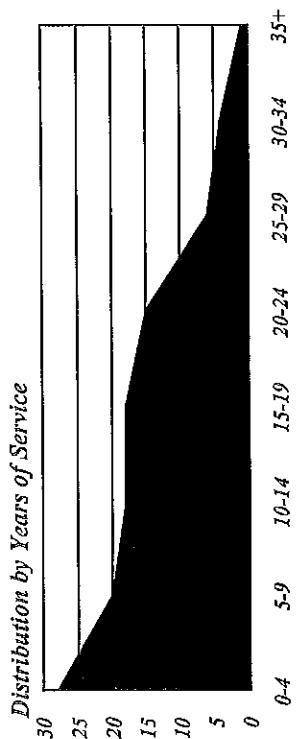
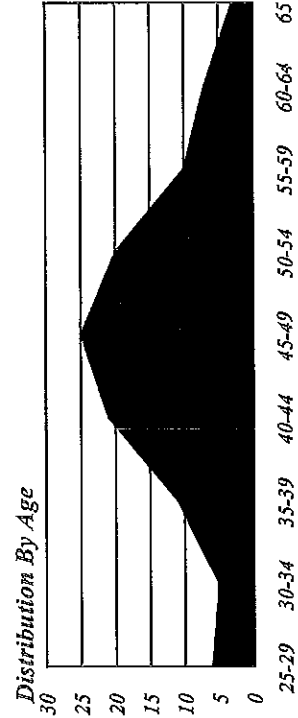
	<i>July 1, 2008</i>	<i>July 1, 2009</i>
Number of Active Members	106	110
Total Annual Compensation	\$5,191,786	\$5,275,025
Average Compensation	48,979	47,955
Average Age	46.9	46.8
Average Service	13.2	12.9

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION V - MEMBERSHIP DATA

C. Distribution of Active Members as of July 1, 2009

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+			
Under 25	2	0	0	0	0	0	0	0	0	0	2
25-29	6	0	0	0	0	0	0	0	0	0	6
30-34	2	2	1	0	0	0	0	0	0	0	5
35-39	4	4	3	0	0	0	0	0	0	0	11
40-44	4	6	3	4	4	0	0	0	0	0	21
45-49	4	4	7	6	3	1	0	0	0	0	25
50-54	3	2	2	6	4	1	2	0	0	0	20
55-59	1	0	2	1	2	2	2	0	0	0	10
60-64	2	2	0	0	1	2	0	0	0	0	7
65 +	0	0	0	1	1	0	0	1	0	1	3
Total	28	20	18	18	15	6	4	1	4	1	110



This work product was prepared solely for the Town of Coventry for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Milliman

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

SECTION V - MEMBERSHIP DATA

D. Projected Annual Benefit Payments

<i>Fiscal Year Ending June 30</i>	<i>Active Members</i>	<i>Terminated</i>		<i>Total</i>
		<i>Vested Members</i>	<i>Members In Pay Status</i>	
2010	\$23,000	\$24,000	\$512,000	\$559,000
2011	76,000	24,000	500,000	600,000
2012	134,000	29,000	487,000	650,000
2013	197,000	29,000	474,000	700,000
2014	246,000	43,000	460,000	749,000
2015	324,000	50,000	445,000	819,000
2016	398,000	54,000	431,000	883,000
2017	466,000	54,000	414,000	934,000
2018	555,000	74,000	397,000	1,026,000
2019	654,000	79,000	376,000	1,109,000

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

APPENDIX A - ACTUARIAL FUNDING METHOD

The actuarial funding method used in the cost calculations is the *Entry Age Normal Cost Method*. Recommended annual contributions, until the Accrued Liability is completely funded, consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The *Normal Cost* is determined by calculating the present value of future benefits for the present active members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an active member.

If Normal Costs had been paid at this level for all prior years, a fund would have been accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the *Accrued Liability*. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The *Actuarial Value of Assets* is determined by recognizing market gains or losses over a five year period.

The *Unfunded Accrued Liability* is equal to the Accrued Liability less the Actuarial Value of Assets. The Unfunded Accrued Liability is amortized over a 25 year period starting on July 1, 2008. The amortization period will decrease each year until this amortization period is 10 years and then it will remain at 10 years. The amortization payment is calculated such that it remains a level percentage of payroll.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

APPENDIX B - ACTUARIAL ASSUMPTIONS

Investment Return	8.00%
Expenses	Prior year's actual administrative expenses increased by 3% for inflation and rounded to the nearest \$100.
Payroll Growth Rate	4.00%
Salary Increases	Table S-5 from the Actuary's Pension Handbook plus 2.00%:

<u>Age</u>	<u>Rate</u>
20	7.10%
25	6.18
30	5.57
35	5.11
40	4.72
45	4.39
50	4.12
55	3.88

Mortality RP-2000 Combined Healthy Mortality Table projected to 2005 with Scale AA, separately for males and females.

Percent Married 75% of active and terminated vested members are assumed to be married, with husbands assumed to be 3 years older than their wives.

Withdrawal 2003 SOA Small Plan Age Table multiplied by .45:

<u>Age</u>	<u>Rate</u>
20	10.94%
25	8.78
30	6.98
35	5.45
40	4.23
45	3.29
50	2.52
55	1.89

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

APPENDIX B - ACTUARIAL ASSUMPTIONS

Disability

1987 Commissioner's Group Disability Table, six month elimination period, separately for males and females:

<u>Age</u>	<u>Male</u>	<u>Female</u>
22	0.0800%	0.1000%
27	0.0890	0.1157
32	0.1050	0.1554
37	0.1370	0.2315
42	0.2020	0.3050
47	0.3560	0.4628
52	0.6620	0.7282
57	1.1870	1.0683
62	1.6710	1.2532

Retirement

Active members are assumed to retire based on the following rates:

<u>Age</u>	<u>Rate</u>
55-58	2%
59	7
60-61	10
62	35
63-64	20
65	50
66-69	40
70	100

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

APPENDIX C - SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major provisions of the Coventry Municipal Employees Retirement Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

<i>Eligibility</i>	Municipal employees working in nonuniform classifications. Eligible members participate on the first day of the month following date of hire.
<i>Average Compensation</i>	The average of total pay received for the five consecutive years out of the ten latest years which gives the highest average.
<i>Member Contributions</i>	Members hired on or after July 1, 1991 contribute 7% of compensation. Administrative employees do not make contributions. Interest is credited at 5% per year.
<i>Normal Form of Benefit</i>	Life Annuity with Modified Cash Refund. Optional forms of benefit are available on an actuarially equivalent basis.
<i>Vesting</i>	40% after 4 years of service, increasing 5% for each of the next 2 years, then increasing 10% for each of the next 5 years to 100% after 11 years. Members are 100% vested at their Early Retirement Date, Normal Retirement Date, or Disability Retirement Date.
<i>Normal Retirement</i>	Eligibility: Age 62. Amount: 2% of Average Compensation per year of service.
<i>Early Retirement</i>	Eligibility: Age 55 with 10 years of vesting service. Benefit: Accrued benefit reduced by 6 2/3% for each of the first 5 years and 3 1/3% for each of the next 2 years by which the member's Early Retirement Date precedes their Normal Retirement Date.

COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

APPENDIX C - SUMMARY OF PLAN PROVISIONS

<i>Late Retirement</i>	Eligibility: any age beyond 62. Benefit: The greater of (a) the accrued benefit as of the member's Late Retirement Date or (b) the accrued benefit as of the member's Normal Retirement Date increased actuarially.
<i>Disability Retirement</i>	Eligibility: 10 years of service. Immediate benefit equal to 25% of Average Compensation, payable until the member's Normal Retirement Date. Deferred benefit equal to the accrued benefit, starting on the member's Normal Retirement Date.
<i>Pre-Retirement Survivor</i>	If the member is vested and is married at the time of death, the surviving spouse will receive a benefit equal to 50% of the benefit that would have been payable had the member terminated immediately before death, elected to retire at their earliest retirement eligibility or date of death if later, and elected a 50% joint and survivor annuity. The surviving spouse's benefit is payable starting on the date that would have been the member's earliest retirement date.
<i>Pre-Retirement Death Benefit</i>	Return of member contributions with interest.