

COMPLIANCE AUDIT

Manchester Township Firefighter's Pension Plan York County, Pennsylvania For the Period January 1, 2015 to December 31, 2018

December 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Board of Township Supervisors
Manchester Township
York County
York, PA 17406

We have conducted a compliance audit of the Manchester Township Firefighter's Pension Plan for the period January 1, 2015 to December 31, 2018. We also evaluated compliance with some requirements subsequent to that period when possible. The audit was conducted pursuant to authority derived from Section 402(j) of Act 205 and in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

The objective of the audit was to determine if the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objective identified above. To determine whether the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- We determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the period under audit.
- We determined whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the municipality's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation.

- We determined whether annual employee contributions were calculated, deducted, and deposited into the pension plan in accordance with the plan's governing document and applicable laws and regulations by testing total members' contributions on an annual basis using the rates obtained from the plan's governing document in effect for all years within the period under audit and examining documents evidencing the deposit of these employee contributions into the pension plan.
- We determined whether retirement benefits calculated for the lone plan member who retired during the current audit period represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws and regulations by recalculating the amount of the monthly pension benefit due to retired individuals and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to recipients.
- We determined whether the January 1, 2015 and January 1, 2017 actuarial valuation reports were prepared and submitted by March 31, 2016 and 2018, respectively, in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.
- We determined whether the terms of the contractual agreement with the Pennsylvania Municipal Retirement System were in accordance with the plan's governing document, if separately stated, and applicable laws and regulations by comparing the terms of the contractual agreement with the plan's governing document, if separately stated, and applicable laws and regulations.

The Manchester Township Firefighter's Pension Plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report, copies of which are available from the PMRS accounting office. PMRS's financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

Township officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Manchester Township Firefighter's Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. In conducting our audit, we obtained an understanding of the township's internal controls as they relate to the township's compliance with those requirements and that we considered to be significant within the context of our audit objective, and assessed whether those significant controls were properly designed and implemented. Additionally and as previously described, we tested transactions, assessed official

actions, performed analytical procedures, and interviewed selected officials to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objective.

The results of our procedures indicated that, in all significant respects, the Manchester Township Firefighter's Cash Balance Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, except as noted in the following finding further discussed later in this report:

Finding – Incorrect Data On Certification Form AG 385 Resulting In An Underpayment Of State Aid

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information or conclude on it and, accordingly, express no form of assurance on it.

The contents of this report were discussed with officials of Manchester Township and, where appropriate, their responses have been included in the report. We would like to thank township officials for the cooperation extended to us during the conduct of the audit.

November 21, 2019



EUGENE A. DEPASQUALE
Auditor General

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BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The Act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans. Section 402(j) of Act 205 specifically requires the Auditor General, as deemed necessary, to make an audit of every municipality which receives general municipal pension system state aid and of every municipal pension plan and fund in which general municipal pension system state aid is deposited.

Annual state aid allocations are provided from a 2 percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the Manchester Township Firefighter's Pension Plan is also governed by implementing regulations adopted by the former Public Employee Retirement Commission published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes including, but not limited to, the following:

Act 15 - Pennsylvania Municipal Retirement Law, Act of February 1, 1974
(P.L. 34, No. 15), as amended, 53 P.S. § 881.101 et seq.

The Manchester Township Firefighter's Pension Plan is a single-employer defined benefit pension plan for active members hired prior to January 7, 2013, and a cash balance pension plan for active members hired on or after January 7, 2013, locally controlled by the provisions of Ordinance No. 2013-03, adopted pursuant to Act 15. The plan was established January 1, 1986. Active members hired prior to January 7, 2013 are required to contribute 3 percent of compensation to the plan. Active members hired on or after January 7, 2013 are not required to contribute to the pension plan. In addition, for members hired on or after January 7, 2013, the municipality is required to contribute 10 percent of each member's compensation. The plan is also affected by the provisions of collective bargaining agreements between the township and its firefighters. As of December 31, 2018, the plan had 18 active members (13 defined benefit, 5 cash balance), 4 terminated members eligible for vested benefits in the future, and 4 retirees receiving benefits.

BACKGROUND – (Continued)

As of December 31, 2018, selected defined benefit plan provisions are as follows:

Eligibility Requirements:

Normal Retirement	Available upon attainment of age 55.
Early Retirement	Available at age 50 with 10 years of credited service.
Vesting	A member is 100% vested after 5 years of service.

Retirement Benefit:

Benefit equals 2.0% times credited service times Final Average Salary (FAS) but in no event is the basic benefit greater than 50% of FAS. A separate annuity is provided by optional member contributions. FAS based upon final 3 years annualized salary. There is no Social Security offset.

Survivor Benefit:

If eligible to retire at the time of death, beneficiary receives present value of accrued benefit. At retirement, member may select a survivor benefit.

Disability Benefit:

Service Related	A 50% disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service.
Non-service Related	A 30% disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment.

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
FINDING AND RECOMMENDATION

Finding – Incorrect Data On Certification Form AG 385 Resulting In An Underpayment Of State Aid

Condition: The township failed to certify 3 eligible non-uniformed employees (3 units) and understated payroll by \$109,639 on the Certification Form AG 385 filed in 2018. The township also failed to certify 3 eligible non-uniformed employees (3 units) and 1 eligible firefighter (2 units) and understated total payroll by \$76,508, on the Certification Form AG 385 filed in 2019. The data contained on these certification forms is based on prior calendar year information.

Criteria: Pursuant to Act 205, at Section 402(e)(2), an employee who has been employed on a full-time basis for at least six consecutive months and has been participating in a pension plan during the certification year is eligible for certification.

Cause: Plan officials failed to establish adequate internal control procedures to ensure the accuracy of the data certified.

Effect: The data submitted on these certification forms is used, in part, to calculate the state aid due to the municipality for distribution to its pension plans. Because the township's state aid allocations were based on unit value, the township received a total underpayment of state aid as identified below:

Year	Type Of Plan	Units Understated	Unit Value	State Aid Underpayment
2018	Non-Uniformed	3	\$ 4,684	<u>\$ 14,052</u>
2019	Non-Uniformed	3	5,121	15,363
	Firefighter's	2	5,121	<u>10,242</u>
			Total	<u>25,605</u>
			Total Underpayment of State Aid	<u>\$ 39,657</u>

Although the township will be reimbursed for the underpayment of state aid due to the township's certification errors, the full amount of the 2018 and 2019 state aid allocations was not available to be deposited timely and therefore resulted in the township having to make additional municipal contributions in order to meet the plan's minimum funding obligation.

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
FINDING AND RECOMMENDATION

Finding – Continued)

Recommendation: We recommend that in the future, plan officials establish adequate internal control procedures, such as having at least two people review the data certified, to ensure compliance with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data.

Management's Response: Municipal officials agreed with the finding without exception and indicated that they will take appropriate action to comply with the recommendation upon receipt of the audit report.

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED) – DEFINED BENEFIT TIER

The supplementary information contained on Pages 5 through 8 reflects the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans*. The objective of this statement is to improve financial reporting by state and local governmental pension plans.

SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

	<u>2014</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 225,757	\$ 206,504
Interest	253,660	259,913
Difference between expected and actual experience	(256,943)	-
Changes of assumptions	-	(277,012)
Benefit payments, including refunds of member contributions	(91,097)	(87,999)
Net Change in Total Pension Liability	<u>131,377</u>	<u>101,406</u>
Total Pension Liability – Beginning	4,432,443	4,563,820
Total Pension Liability – Ending (a)	<u>\$ 4,563,820</u>	<u>\$ 4,665,226</u>
 Plan Fiduciary Net Position		
Contributions – employer	\$ 236,319	\$ 284,043
Contributions – PMRS assessment	-	520
Contributions – member	40,835	40,426
PMRS investment income	182,193	202,561
Market value investment income	(9,063)	(225,704)
Benefit payments, including refunds of member contributions	(91,097)	(87,999)
PMRS administrative expense	(520)	(520)
Additional administrative expense	(6,987)	(8,444)
Net Change in Plan Fiduciary Net Position	<u>351,680</u>	<u>204,883</u>
Plan Fiduciary Net Position – Beginning	3,262,426	3,614,106
Plan Fiduciary Net Position – Ending (b)	<u>\$ 3,614,106</u>	<u>\$ 3,818,989</u>
 Net Pension Liability – Ending (a-b)	<u>\$ 949,714</u>	<u>\$ 846,237</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.19%	81.86%
 Estimated Covered Employee Payroll	\$ 1,409,765	\$ 1,267,125
 Net Pension Liability as a Percentage of Covered Employee Payroll	67.37%	66.78%

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED) – DEFINED BENEFIT TIER

SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	<u>2016</u>	<u>2017</u>
Total Pension Liability		
Service cost	\$ 172,541	\$ 200,069
Interest	263,560	269,737
Difference between expected and actual experience	(169,003)	-
Changes of assumptions	158,463	-
Benefit payments, including refunds of member contributions	(87,999)	(125,730)
Net Change in Total Pension Liability	<u>337,562</u>	<u>344,076</u>
Total Pension Liability – Beginning	4,665,226	5,002,788
Total Pension Liability – Ending (a)	<u><u>\$ 5,002,788</u></u>	<u><u>\$ 5,346,864</u></u>
 Plan Fiduciary Net Position		
Contributions – employer	\$ 261,811	\$ 250,029
Contributions – PMRS assessment	500	500
Contributions – member	42,105	45,954
PMRS investment income	225,220	226,958
Market value investment income	89,785	512,792
Benefit payments, including refunds of member contributions	(87,999)	(125,730)
PMRS Administrative expense	(500)	(500)
Additional administrative expense	(11,034)	(10,438)
Net Change in Plan Fiduciary Net Position	<u>519,888</u>	<u>899,565</u>
Plan Fiduciary Net Position – Beginning	3,818,989	4,338,877
Plan Fiduciary Net Position – Ending (b)	<u><u>\$ 4,338,877</u></u>	<u><u>\$ 5,238,442</u></u>
 Net Pension Liability – Ending (a-b)	<u><u>\$ 663,991</u></u>	<u><u>\$ 108,422</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.73%	97.97%
 Estimated Covered Employee Payroll	\$ 1,248,212	\$ 1,344,095
 Net Pension Liability as a Percentage of Covered Employee Payroll	53.19%	8.07%

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED) – DEFINED BENEFIT TIER

Sensitivity Of The Net Pension Liability To Changes In The Discount Rate

The following presents the net pension liability of the township as of December 31, 2014 and 2015, calculated using the discount rate of 5.50%, as well as what the township's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (4.50%)</u>	<u>Current Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Net Pension Liability – 12/31/14	\$ 1,584,512	\$ 949,714	\$ 415,476
Net Pension Liability – 12/31/15	\$ 1,509,104	\$ 846,237	\$ 290,076

In addition, the following presents the net pension liability of the township as of December 31, 2016 and 2017, calculated using the discount rate of 5.25%, as well as what the township's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
Net Pension Liability – 12/31/16	\$ 1,370,469	\$ 663,911	\$ 68,387
Net Pension Liability – 12/31/17	\$ 863,575	\$ 108,422	\$ (528,060)

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED) – DEFINED BENEFIT TIER

SCHEDULE OF CONTRIBUTIONS

Year Ended December 31	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll *	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 236,319	\$ 236,319	\$ -	\$1,409,765	16.76%
2015	284,563	284,563	-	1,267,125	22.46%
2016	258,789	262,311	(3,522)	1,248,212	21.01%
2017	250,529	250,529	-	1,344,095	18.64%
2018	274,469	274,469	-		

* Due to the timing of this audit, covered-employee payroll for 2018 was not provided in this schedule.

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED) – DEFINED BENEFIT TIER

SCHEDULE OF FUNDING PROGRESS

Historical trend information about the plan is presented herewith as supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially. The historical information, beginning as of January 1, 2013, is as follows:

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)
01-01-13	\$ 2,954,948	\$ 4,074,484	\$ 1,119,536	72.5%
01-01-15	3,685,773	4,563,820	878,047	80.8%
01-01-17	4,611,193	5,002,788	391,595	92.2%

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED) – DEFINED BENEFIT TIER

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability (Column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
 SUPPLEMENTARY INFORMATION
 NOTES TO SUPPLEMENTARY SCHEDULES
 (UNAUDITED) – DEFINED BENEFIT TIER

The information presented in the supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

Actuarial valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	7 years
Asset valuation method	The Actuarial Value of Assets equals the plan's member, municipal, DROP (if applicable) reserve accounts plus the retiree actuarial liability. This asset smoothing is based on the unique legislative structure of PMRS and the administrative rules adopted by the PMRS Board in conjunction with Pennsylvania Municipal Retirement Law, all of which are subject to comply with the Actuarial Standards of Practice No. 44, Selection and Use of Asset Valuation Methods when defining the actuarial Value of Assets.
Actuarial assumptions:	
Investment rate of return	5.25%, compounded annually, net of investment and administration expenses
Salary scale	Total rate (including inflation) (e.g. age 25 – 7.05%; age 35 – 4.55%; age 45 – 3.97%; age 55 – 3.44%; age 65 – 2.80%)
Cost-of-living adjustments	2.8% per year, subject to plan limitations

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED) – CASH BALANCE TIER

The supplementary information contained on Pages 12 through 14 reflects the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans* for the cash balance tier of the plan. The objective of this statement is to improve financial reporting by state and local governmental pension plans.

SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

	<u>2014</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 498	\$ 3,992
Interest	-	108
Difference between expected and actual experience	-	(1)
Net Change in Total Pension Liability	<u>498</u>	<u>4,099</u>
Total Pension Liability – Beginning	-	498
Total Pension Liability – Ending (a)	<u>\$ 498</u>	<u>\$ 4,597</u>
Plan Fiduciary Net Position		
Contributions – employer	\$ 518	\$ 3,992
PMRS investment income	-	105
Market value investment income	(7)	(320)
PMRS administrative expense	(20)	-
Additional administrative expense	-	(4)
Net Change in Plan Fiduciary Net Position	<u>491</u>	<u>3,773</u>
Plan Fiduciary Net Position – Beginning	-	491
Plan Fiduciary Net Position – Ending (b)	<u>\$ 491</u>	<u>\$ 4,264</u>
Net Pension Liability – Ending (a-b)	<u>\$ 7</u>	<u>\$ 333</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.59%	92.76%
Estimated Covered Employee Payroll	\$ 4,979	\$ 39,916
Net Pension Liability as a Percentage of Covered Employee Payroll	0.14%	0.83%

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED) – CASH BALANCE TIER

SCHEDULE OF CHANGES IN THE NET PENSION
 LIABILITY AND RELATED RATIOS
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	<u>2016</u>	<u>2017</u>
Total Pension Liability		
Service cost	\$ 244	\$ -
Interest	263	268
Net Change in Total Pension Liability	<u>507</u>	<u>268</u>
Total Pension Liability – Beginning	4,597	5,104
Total Pension Liability – Ending (a)	<u>\$ 5,104</u>	<u>\$ 5,372</u>
Plan Fiduciary Net Position		
Contributions – employer	\$ 244	\$ -
Contributions – PMRS assessment	20	-
PMRS investment income	264	268
Market value investment income	89	581
PMRS administrative expense	(20)	-
Additional administrative expense	(13)	(12)
Net Change in Plan Fiduciary Net Position	<u>584</u>	<u>837</u>
Plan Fiduciary Net Position – Beginning	4,264	4,848
Plan Fiduciary Net Position – Ending (b)	<u>\$ 4,848</u>	<u>\$ 5,685</u>
Net Pension Liability – Ending (a-b)	<u>\$ 256</u>	<u>\$ (313)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.98%	105.83%
Estimated Covered Employee Payroll	\$ 2,440	\$ -
Net Pension Liability as a Percentage of Covered Employee Payroll	10.49%	N/A

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED) – CASH BALANCE TIER

Sensitivity Of The Net Pension Liability To Changes In The Discount Rate

The following presents the net pension liability of the township as of December 31, 2014 and 2015, calculated using the discount rate of 5.50%, as well as what the township's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (4.50%)</u>	<u>Current Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Net Pension Liability – 12/31/14	\$ 106	\$ 7	\$ (93)
Net Pension Liability – 12/31/15	\$ 1,252	\$ 333	\$ (586)

The following presents the net pension liability of the township as of December 31, 2016 and 2017, calculated using the discount rate of 5.25%, as well as what the township's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
Net Pension Liability – 12/31/16	\$ 1,277	\$ 256	\$ (765)
Net Pension Liability – 12/31/17	\$ 761	\$ (313)	\$ (1,388)

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
SUMMARY OF DEPOSITED STATE AID AND EMPLOYER CONTRIBUTIONS
(CASH BALANCE TIER)

Year Ended December 31	State Aid	Employer Contributions
2014	None	\$ 498
2015	None	3,992
2016	None	244
2017	None	None
2018	None	2,019

Note: The cash balance tier was established effective January 7, 2013. However, there were no plan members until 2014.

MANCHESTER TOWNSHIP FIREFIGHTER'S PENSION PLAN
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

Ms. Lisa Wingert
Chairperson, Board of Township Supervisors

Mr. Rodney Brandstedter
Vice Chairman, Board of Township Supervisors

Mr. David Brogend
Township Supervisor

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Township Supervisor

Mr. Timothy James
Chief Administrative Officer

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