

C. Oates
12/5/2017

Res. 19658

ADDENDUM TO AGREEMENT

THIS ADDENDUM TO AGREEMENT, made and entered into on this 27 day of November, 2017, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County" and **CHEIRON**, 1750 Tysons Boulevard, Suite 1100, McLean, VA 22102, hereinafter called "Consultant."

WITNESSETH:

WHEREAS, the County and Consultant did enter into an Agreement dated May 2, 2017, whereby Consultant agreed to provide an actuarial study to determine the cost of an increase to the benefits of certain associates within the Sheriff's Office; and,

WHEREAS, the Legislature has requested additional calculations relating to this actuarial study, at an increased cost; and,

NOW THEREFORE, in consideration of the mutual covenants and promises herein contained, County and Consultant do hereby additionally agree as follow:

1. Except as hereinafter specifically modified, all of the terms of the prior Agreement between the parties dated May 2, 2017, shall remain in full force and effect and the terms and conditions thereof are incorporated herein by reference.
2. This Addendum to Agreement shall be effective as of November 1, 2017, and shall extend, with the original Agreement, through January 31, 2018.
3. Consultant shall perform the additional actuarial calculations as are set out in the document attached as Exhibit A.

FILED
NOV 30 2017
MARY JO SPINO COUNTY CLERK

4. The maximum sum for services related to this Agreement shall be increased by the amount of \$8,000.00 for a total sum of \$13,000.00.

5. This Addendum, together with the Agreement dated May 2, 2017, incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

JACKSON COUNTY, MISSOURI

CHEIRON

By


Frank White, Jr.
County Executive

By


Federal Tax ID No. 13-4215617

APPROVED AS TO FORM:

ATTEST:


W. Stephen Nixon
County Counselor



Mary Jo Spino
Clerk of the Legislature

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$3,000.00 which is hereby authorized.

The remaining balance sufficient to provide for this obligation will be paid from funds in the custody of the Pension Plan Board of Trustees

11/28/17
Date


Chief Financial Officer
Account No. 001-0112-56790

Via Electronic Mail

October 27, 2017

Exhibit A

Mr. Dennis Dumovich
Human Resources Director
Jackson County, Missouri
415 E 12th Street
Kansas City, MO 64106

**Re: Jackson County, Missouri Revised Pension Plan and Trust
Actuarial Cost Study**

Dear Dennis:

You have requested an actuarial cost study regarding potential changes in benefits for the Jackson County, Missouri Revised Pension Plan and Trust (JCRP). The proposed changes are summarized as follows:

- Incremental changes in the current 1.5% benefit accrual multiplier of 1.6%, 1.65%, 1.7%, 1.75% and 2.5%. Costs should be developed separately for (1) Sheriff's Department associates, (b) all public safety associates of the County, and (c) for all county employees.
- Consider a new full benefit eligibility "Rule of 75" for public safety employees. Full benefits would be paid to public safety employees with 20 years of service, but not until reaching age 55.

Jackson County would provide to Cheiron persons to be included within each category. The study will be based upon the participant data and actuarial assumptions as were used for the July 1, 2017 actuarial valuation. We will need for you to provide a list of employees in the participant data who would be eligible for these benefit within each category indicated. We expect that we can provide the results of the study in about four weeks after receiving this information.

Our fees for this study would as follows:

- For the multiplier changes, we would charge \$3,000 for the first change and \$500 for each additional change. For all five proposed multiplier changes the total cost would be \$5,000.
- For the Rule of 75 change for public safety associates, the cost would be \$2,500.

Therefore the total cost for all proposed changes would be \$7,500. We assumed that for the Rule of 75 change for public safety associates, you would not need this separately just for Sheriffs. If you did need it separately for Sheriffs, this would increase the cost by \$500.

Mr. Dennis Dumovich
October 27, 2017
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You had also mentioned that there was interest in determining whether studies of mortality experience have shown that mortality for public safety employees is different than for general employees. We are not aware of credible data showing significantly different mortality for public safety employees after retirement, but we can research further. The cost of such an investigation would be dependent on the extent of analysis you require.

Please let us know if you have any questions about this letter. You may reach Mike Noble or me at 1-877-243-4766. Mike's extension is 1209 and my extension is 1030.

Sincerely,
Cheiron



Stephen T. McElhaney, FCA, FSA, EA
Principal Consulting Actuary

cc: Mike Noble, FCA, FSA, EA, Cheiron

