



# Assessing the Health of Your Retirement System

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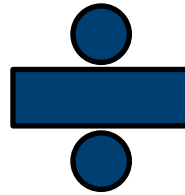
Prepared by Aon

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# How “healthy” is your Plan?

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Current  
Assets



Accrued  
Liabilities



Funded  
Ratio

# Measuring Health Beyond Funded Status



# Riskiness of Key Components

## Plan Sponsor



## Demographics



## Investments



## Governance



# How “healthy” is your Plan?

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# Key Considerations – Plan Sponsor



## Key Metrics - Demographics

### Metric

- Active Employees / Retirees
- Benefit Payments / Assets
- Contributions / Benefit Payments
- Actual Experience
- Future Work Force



### Implications

- Measures how “mature” plan – more mature -> less time to fund & less ability to take risk
- Plan cash flow impacts investment horizon
- Significant deviations can impact liability and cash flow
- Significant future changes

# Key Considerations - Investments

Volatility of Investment Return

Probability of Achieving Assumed Return

Negative Cash Flow

Volatility of ADC





# Key Considerations - Governance



## Contact Information

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