

**City of Dearborn
Retiree Death Benefit Fund
Proposed FY2014, 2015 and 2016 Budget**

This fund accounts for reserves established to support future expenditures for retiree death benefit claims. Retirees have the option to voluntarily purchase this benefit.

General Comments

- Prior to July 1, 2003, this fund was called the Employee Death Benefit Fund, and covered both active and retired employees.

Revenue

- Revenue is estimated to increase from the Fiscal 2013 projections due to increased interest earnings on investments.

Expenditures

- The fund should have enough fund balance to cover claims for about 7 to 10 years at recent experience. With the decline in interest earnings and fund balance, the fund is no longer operating on a "pay-as-you-go" basis. Future claims will have to be funded by future taxpayers.