City of Birmingham Retirement and Relief System
Health Department Employees

Actuarial Valuation and Review
as of July 1, 2004

SEGAL

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March 8, 2005

Board of Managers
City of Birmingham Retirement and Relief System
Health Department Employees
710 North 20th Street, GA 100 City Hall
Birmingham, Alabama 35203

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2004. It summarizes the actuarial data used in the valuation, establishes the funding requirements for the coming fiscal year and analyzes the preceding year's experience.

The census and financial information on which our calculations were based was prepared by the City. That assistance is gratefully acknowledged. The actuarial calculations were completed under my supervision.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board of Managers are reasonably related to the experience of and the expectations for the Plan.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By: ______________________

Leon F. (Rocky) Joyner, Jr., ASA, MAAA, EA
Vice President and Actuary

SECTION 1

VALUATION SUMMARY

SECTION 2

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SECTION 3

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Purpose

This report has been prepared by The Segal Company to present a valuation of the City of Birmingham Retirement and Relief System Health Department Employees as of July 1, 2004. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Pension Plan, as administered by the Board;
- The characteristics of covered active participants, retired participants and beneficiaries as of July 1, 2004, provided by the City;
- The assets of the Plan as of June 30, 2004, provided by the City;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

- Since the current year's actuarial value of assets, $12,481,374, exceeds the present value of benefits of $10,114,120 by $2,367,254 , there is no required contribution. If the excess of assets over the present value of benefits were to be eliminated by asset declines or through benefit modifications, employer contributions to the fund would be required in future years. Chart 13 provides a detailed reconciliation of the required contribution.
- For the year ended June 30, 2004, the plan had an investment return on an actuarial basis of 4.82% compared to the assumption of 7.50%, which resulted in a loss of $321,986. The rate of return on a market value basis was 8.62%. The actuarial value of assets as of June 30, 2004 is 93.5% of market value.
- There have been no plan changes or assumption changes reflected with this valuation.

Summary of Key Valuation Results

	2004	2003
Contributions for plan year beginning July 1:		
Recommended contribution	$0	$0
Actual employer contribution	--	41,285
Funding elements for plan year beginning July 1:		
Employer normal cost	-$431,652	-$364,450
Market value of assets	13,346,500	12,450,500
Actuarial value of assets	12,481,374	12,073,595
Demographic data for plan year beginning July 1:		
Number of retired participants and beneficiaries	22	23
Number of active participants	38	40
Total payroll	$1,716,491	$1,819,310
Average payroll	45,171	45,483

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the participant population has changed over the past nine valuations can be seen in this chart.

CHART 1

Participant Population: June 30, 1996 – June 30, 2004

Year Ended June 30	Active Participants	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
1996	81	14	0.17
1997	74	16	0.22
1998	66	17	0.26
1999	55	19	0.35
2000	51	20	0.39
2001	47	21	0.45
2002	41	22	0.54
2003	40	23	0.58
2004	38	22	0.58

Active Participants
Plan costs are affected by the age, years of credited service and payroll of active participants. In this year's valuation, there were 38 active participants with an average age of 50.8, average years of credited service of 18.8 years and average payroll of $45,171. The 40 active participants in the prior valuation had an average age of 50.0, average service of 18.1 years and average payroll of $45,483.

These graphs show a distribution of active participants by age and by years of credited service.

CHART 2

Distribution of Active Participants by Age as of June 30, 2004

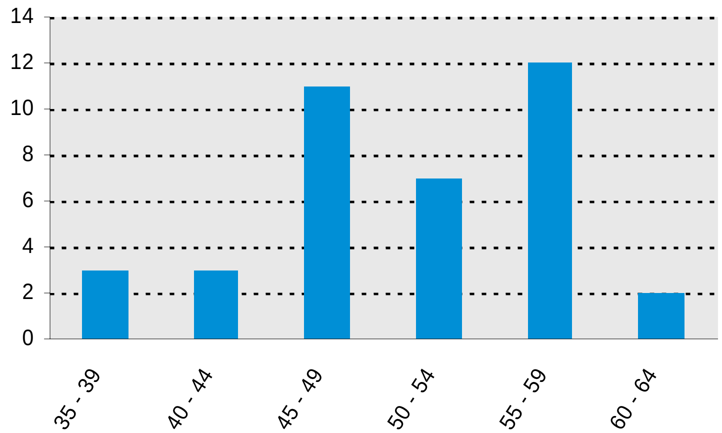
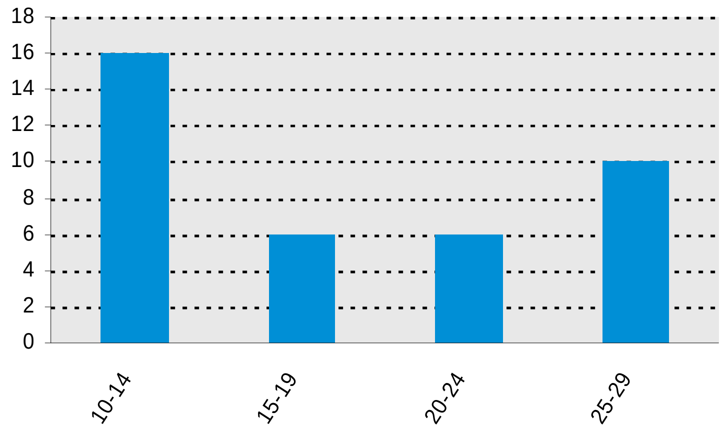


CHART 3

Distribution of Active Participants by Years of Credited Service as of June 30, 2004



Retired Participants and Beneficiaries
As of June 30, 2004, 20 retired participants and 2 beneficiaries were receiving total monthly benefits of $25,048. For comparison, in the previous valuation, there were 22 retired participants and one beneficiary receiving monthly benefits of $23,508.

These graphs show a distribution of the current retired participants and beneficiaries based on their monthly amount and age, by type of pension.

CHART 4

Distribution of Retired Participants and Beneficiaries by Type and by Monthly Amount as of June 30, 2004

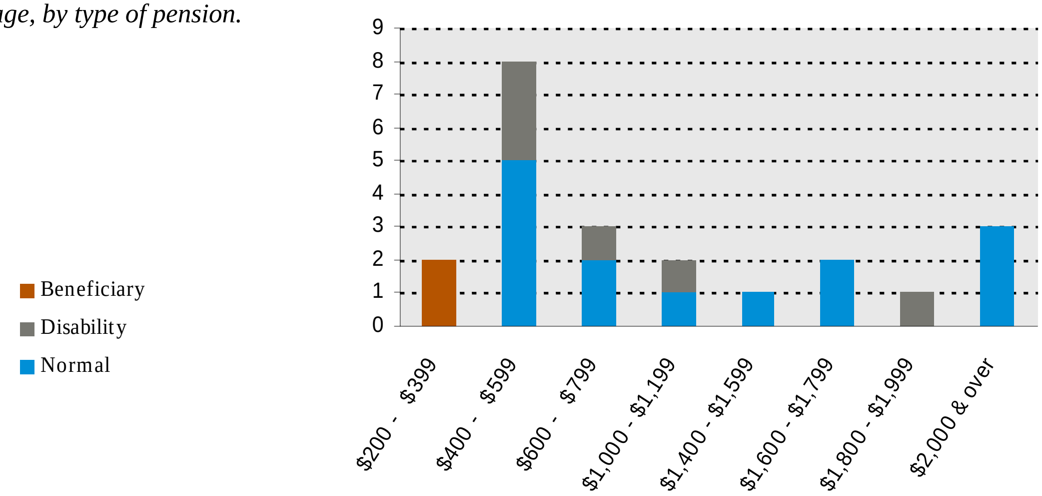
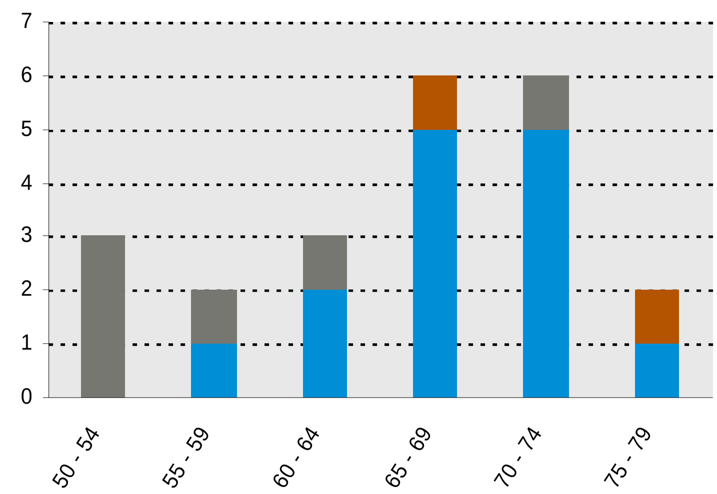


CHART 5

Distribution of Retired Participants and Beneficiaries by Type and by Age as of June 30, 2004



B. FINANCIAL INFORMATION

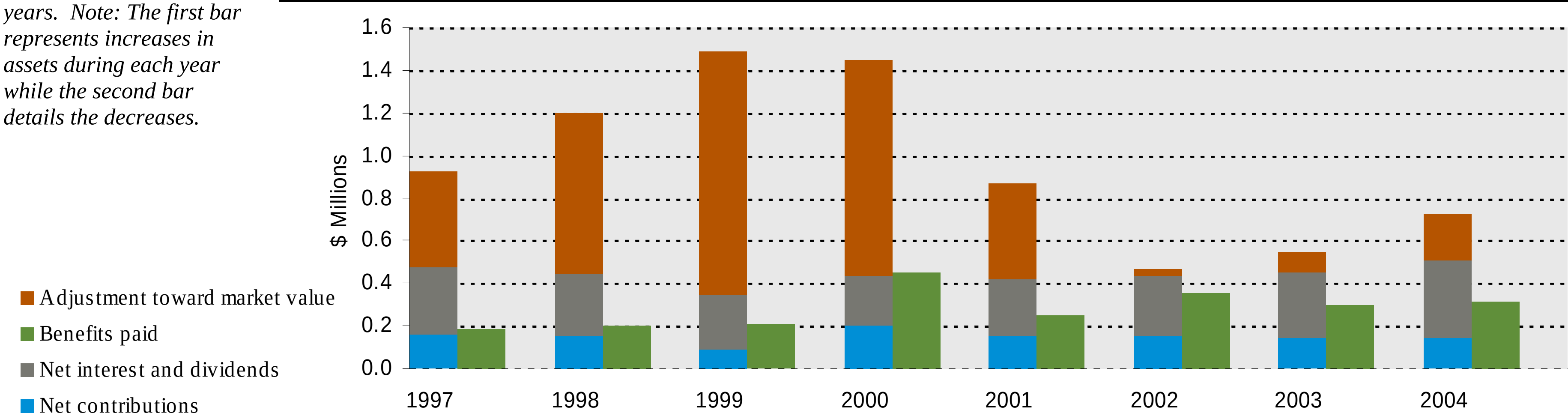
Retirement plan funding anticipates that, over the long term, both net contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D, E and F.

The chart depicts the components of changes in the actuarial value of assets over the last eight years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 1997 – 2004



It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 7

Determination of Actuarial Value of Assets for Year Ended June 30, 2004

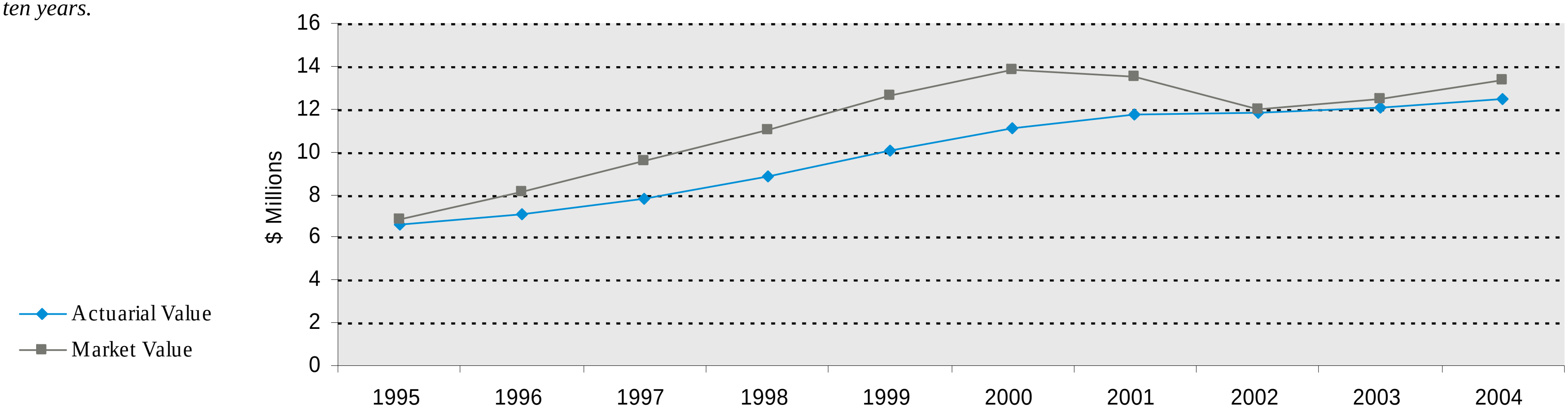
1.	Actuarial value of assets as of June 30, 2003	$12,073,595
2.	Contributions, interest and dividends, less benefit payments and expenses	191,498
3.	Preliminary actuarial value of assets: (1) + (2)	12,265,093
4.	Market value of assets as of June 30, 2004	13,346,500
5.	Adjustment toward market value: 20% of [(4) - (3)]	216,281
6.	Adjustment to be within 20% corridor	0
7.	Final actuarial value of assets as of June 30, 2004: (3) + (5) + (6)	$12,481,374
8.	Actuarial value as a percentage of market value: (7) ÷ (4)	93.5%

Both the actuarial value and market value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in the actuarial value of assets versus the market value over the past ten years.

CHART 8

Actuarial Value of Assets vs. Market Value of Assets as of June 30, 1995 – 2004



C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. To the extent these assumptions are not met, future contribution requirements will be adjusted. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

Under the funding method used, gains and losses are reflected in the contribution as a change in the plan's normal cost. These gains and losses are spread over the future working lifetime of all employees. The amount of change in the normal cost is shown, along with other changes to the required contribution since last year, in Section 2, Chart 13.

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Plan's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.50%. The actual rate of return on an actuarial basis for the 2003-2004 plan year was 4.82%.

Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended June 30, 2004 with regard to its investments.

This chart shows the loss due to investment experience.

CHART 9

Actuarial Value Investment Experience for Year Ended June 30, 2004

1.	Actual return	$577,693
2.	Average value of assets	11,995,718
3.	Actual rate of return: (1) ÷ (2)	4.82%
4.	Assumed rate of return	7.50%
5.	Expected return: (2) x (4)	$899,679
6.	Actuarial loss: (1) – (5)	-$321,986

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and eight-year averages.

Based upon this experience and future expectations, we have maintained the assumed rate of return of 7.50%.

This chart shows a history of actuarial value and market value investment returns.

CHART 10

Investment Return – Actuarial Value vs. Market Value: 1997 - 2004

	Net Interest and Dividend Income		Adjustment Toward Market		Actuarial Value Investment Return		Market Value Investment Return	
Year Ended June 30	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1997	$311,538	4.41%	$448,226	6.34%	$759,764	10.75%	$1,481,566	18.21%
1998	293,257	3.76	754,242	9.68	1,047,499	13.45	1,457,587	15.21
1999	254,463	2.91	1,146,180	13.09	1,400,643	16.00	1,719,823	15.69
2000	236,593	2.37	1,014,309	10.17	1,250,902	12.54	1,501,042	12.01
2001	269,160	2.44	447,625	4.05	716,785	6.49	-265,054	-1.92
2002	281,206	2.42	30,865	0.27	312,071	2.69	-1,354,972	-10.11
2003	302,771	2.58	94,226	0.80	396,997	3.38	650,444	5.48
2004	361,412	3.01	216,281	1.80	577,693	4.82	1,065,914	8.62
Total	$2,310,400		$4,151,954		$6,462,354		$6,256,350	
					Five-year average return	5.77%		2.50%
					Eight-year average return	8.07%		6.75%

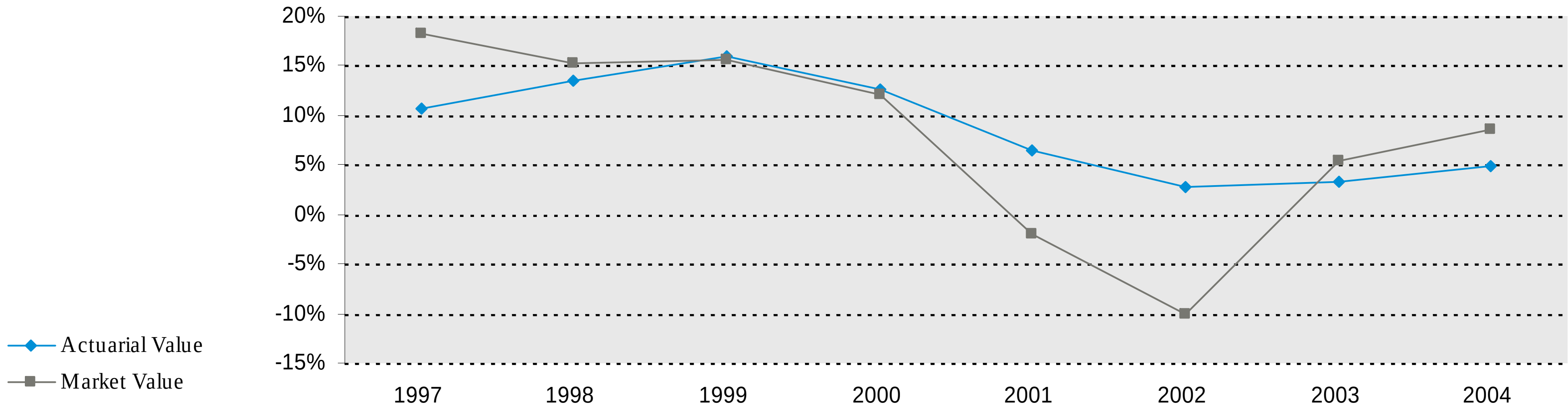
Note: Each year's yield is weighted by the average asset value in that year.

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 1997 - 2004 .

CHART 11

Market and Actuarial Rates of Return for Years Ended June 30, 1997 - 2004



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Other Experience
There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

D. RECOMMENDED CONTRIBUTION

The amount of annual contribution required to fund the Plan is comprised of an employer normal cost payment and a payment on the unfunded/(overfunded) actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the funding rate of (25.15%) of payroll.

The contribution rates as of July 1, 2004 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

The chart compares this valuation's recommended contribution with the prior valuation.

CHART 12

Recommended Contribution

	Year Beginning July 1			
	2004		2003	
	Amount	% of Payroll	Amount	% of Payroll
1. Total normal cost	-$321,097	-18.71%	-$248,843	-13.68%
2. Expected employee contributions	-94,062	-5.48%	-101,682	-5.59%
3. Employer normal cost: (1) + (2)	-$415,159	-24.19%	-$350,525	-19.27%
4. Employer normal cost, adjusted for timing	-431,652	25.15%	-364,450	-20.03%
5. Actuarial value of assets	12,481,374		12,073,595	
6. Total recommended contribution, adjusted for timing	$0	0.00%	$0	0.00%
7. Projected payroll	$1,716,491		$1,819,310	

Reconciliation of Recommended Contribution
The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

Since the calculated contribution is less than zero, the recommended contribution this year is zero, as it was last year. This calculation is monitored annually and employer contributions to this Fund will need to resume when the result is greater than zero.

The chart reconciles the contribution from the prior valuation to the amount determined in this valuation.

CHART 13

Reconciliation of Recommended Contribution from July 1, 2003 to July 1, 2004

Recommended Contribution as of July 1, 2003	-$364,450
Effect of contributions more than recommended contribution	-$58,735
Effect of investment loss	45,409
Effect of net other changes	-53,876
Total change	-$67,202
Recommended Contribution as of July 1, 2004	-$431,652

EXHIBIT A

Table of Plan Coverage

Category	Year Ended June 30 2004	Year Ended June 30 2003	Change From Prior Year
Active participants in valuation:			
Number	38	40	-5.0%
Average age	50.8	50.0	N/A
Average service	18.8	18.1	N/A
Total payroll	$1,716,491	$1,819,310	-5.7%
Average payroll	45,171	45,483	-0.7%
Account balances	1,206,570	1,185,950	1.7%
Retired participants:			
Number in pay status	14	16	-12.5%
Average age	68.6	70.3	N/A
Average monthly benefit	$1,373	$1,127	21.8%
Disabled participants:			
Number in pay status	6	6	0.0%
Average age	58.0	57.0	N/A
Average monthly benefit	$856	$856	0.0%
Beneficiaries in pay status	2	1	100.0%

EXHIBIT B

Participants in Active Service as of June 30, 2004
By Age, Years of Credited Service, and Average Payroll

		Years of Credited Service			
Age	Total	10-14	15-19	20-24	25-29
35 - 39	3	3	- -	- -	- -
	$42,943	$42,943	- -	- -	- -
40 - 44	3	1	1	1	- -
	48,367	50,285	$53,144	$41,673	- -
45 - 49	11	5	2	3	1
	45,827	47,725	46,381	45,407	$36,493
50 - 54	7	1	- -	- -	6
	40,931	55,920	- -	- -	38,433
55 - 59	12	6	2	1	3
	48,933	43,394	58,819	50,822	52,789
60 - 64	2	- -	1	1	- -
	32,376	- -	33,571	31,181	- -
Total	38	16	6	6	10
	$45,171	$45,877	$49,519	$43,316	$42,546

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of July 1, 2003	40	6	16	1	63
New participants	0	N/A	N/A	N/A	0
Terminations – with vested rights	0	0	0	0	0
Terminations – without vested rights	0	N/A	N/A	N/A	0
Retirements	-1	N/A	1	N/A	0
New disabilities	0	0	N/A	N/A	0
Return to work	0	0	0	N/A	0
Deaths	0	0	-3	0	-3
New beneficiaries	0	0	0	1	1
Lump sum payoffs	-1	0	0	0	-1
Rehired	0	0	0	N/A	0
Certain period expired	N/A	0	0	0	0
Data adjustments	0	0	0	0	0
Number as of July 1, 2004	38	6	14	2	60

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2004		Year Ended June 30, 2003	
Contribution income:				
Employer contributions	$41,285		$47,566	
Employee contributions	102,732		100,766	
Net contribution income		$144,017		$148,332
Investment income:				
Interest, dividends and other income	$394,139		$331,914	
Adjustment toward market value	216,281		94,226	
Less investment fees	-32,727		-29,143	
Net investment income		577,693		396,997
Total income available for benefits		$721,710		$545,329
Less benefit payments:				
Benefits	-$313,931		-$281,710	
Refunds	0		-11,866	
Net benefit payments		-$313,931		-$293,576
Change in reserve for future benefits		$407,779		$251,753

EXHIBIT E
Table of Financial Information

	Year Ended June 30, 2004		Year Ended June 30, 2003	
Cash equivalents		$672,514		$247,112
Accounts receivable:				
Employee loans	$154,983		$142,861	
Accrued interest and dividends	100,194		65,519	
Employee contributions	21,187		7,211	
Other funds	7,409		6,062	
Total accounts receivable		283,773		221,653
Investments:				
Debt securities	$6,260,137		$9,566,509	
Corporate stocks	6,146,211		2,428,242	
Total investments at market value		12,406,348		11,994,751
Total assets		$13,362,635		$12,463,516
Less accounts payable		-$16,135		-$13,016
Net assets at market value		$13,346,500		$12,450,500
Net assets at actuarial value		$12,481,374		$12,073,595

EXHIBIT F

Development of the Fund Through June 30, 2004

Year Ended June 30	Employer Contributions	Employee Contributions	Net Investment Return*	Administrative Expenses	Benefit Payments	Actuarial Value of Assets at End of Year
1997	$52,049	$118,141	$759,764	$7,542	$188,742	$7,812,500
1998	45,842	112,621	1,047,499	7,600	199,022	8,811,800
1999	27,271	67,896	1,400,643	7,600	211,290	10,088,700
2000	49,051	158,330	1,250,902	7,600	450,023	11,089,360
2001	43,794	109,030	716,785	0	250,070	11,708,899
2002	44,539	108,872	312,071	0	352,539	11,821,842
2003	47,566	100,766	396,997	0	293,576	12,073,595
2004	41,285	102,732	577,693	0	313,931	12,481,374

** Net of investment fees*

EXHIBIT G

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Plan is calculated including:

(a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;

(b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates — the rate or probability of retirement at a given age;

(d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost: The amount of contributions required to fund the benefit allocated to the current year of service.

Investment Return: The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

EXHIBIT I

Summary of Actuarial Valuation Results as of July 1, 2004

The valuation was made with respect to the following data supplied to us:

1.	Retired participants as of the valuation date (including 2 beneficiaries in pay status)		22
2.	Participants active during the year ended June 30, 2004		38
	Fully vested	38	
	Not vested	0	

The actuarial factors as of the valuation date are as follows:

1.	Present value of future benefits		$10,114,120
	Retired participants and beneficiaries	$2,850,186	
	Active participants	7,263,934	
2.	Actuarial value of assets ($13,346,500 at market value)		12,481,374
3.	Present value of future normal costs: (1) - (2)		-2,367,254
4.	Present value of future salary		1,625,427
5.	Total salary of employees below the assumed retirement age		11,983,305
6.	Assumed administrative expenses		0
7.	Normal cost, including administrative expenses: [(3) ÷ (4)] x (5) + (6)		-$321,097

EXHIBIT I (continued)

Summary of Actuarial Valuation Results as of July 1, 2004

The determination of the recommended contribution is as follows:

1.	Total normal cost	-$321,097
2.	Expected employee contributions	-94,062
3.	Employer normal cost: (1) + (2)	-$415,159
4.	Employer normal cost, adjusted for timing	-431,652
5.	Total recommended contribution, adjusted for timing	$0
6.	Projected payroll	$1,716,491
7.	Total recommended contribution as a percentage of projected payroll: (5) ÷ (6)	0.00%

EXHIBIT II

Supplementary Information Required by the GASB – Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
1999	$0	$27,271	100%
2000	0	49,051	100%
2001	0	43,794	100%
2002	0	44,539	100%
2003	0	47,566	100%
2004	0	41,285	100%
2005	0	--	--

EXHIBIT III

Supplementary Information Required by the GASB – Schedule of Funding Progress

The Aggregate Cost Method has been used to determine the cost for this plan. Therefore, according to GASB Statement No. 25, footnote to Section 33, a Schedule of Funding Progress is not required.

EXHIBIT IV

Supplementary Information Required by the GASB

Valuation date	July 1, 2004
Actuarial cost method	Aggregate Cost Method
Asset valuation method	Sum of actuarial value at beginning of year and increase in cost value during year excluding realized appreciation or losses plus 20 percent of market value at end of year in excess of that preliminary value, adjusted to be within 20 percent of their market value.
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	Inflation 5.00%
	Merit, Longevity, etc., varies from 0.00 to 2.00%
Plan membership:	
Retired participants and beneficiaries receiving benefits	22
Terminated participants entitled to, but not yet receiving benefits	0
Active participants	38
Total	60

EXHIBIT V

Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:

Healthy:	Basic table underlying the 1983 Group Annuity Mortality Table
Disabled:	Basic table underlying the 1983 Group Annuity Mortality Table set forward 10 years

Termination Rates before Retirement:

	Rate (%)			
	Mortality			
Age	**Male**	**Female**	**Disability**	**Withdrawal**
20	0.04	0.02	0.09	5.44
25	0.05	0.03	0.13	5.29
30	0.07	0.04	0.17	5.07
35	0.10	0.05	0.22	4.70
40	0.14	0.07	0.33	4.19
45	0.24	0.11	0.54	3.54
50	0.43	0.18	0.91	2.48
55	0.68	0.28	1.51	0.94
60	1.02	0.47	2.44	0.09

Retirement Age: Employees are assumed to retire at age 60 with at least 10 years of credited service

Unknown Data for Participants:	Same as those exhibited by Participants with similar known characteristics. If not specified, Participants are assumed to be male.
Percent Married:	1972 Social Security Awards
Age of Spouse:	Females 3 years younger than males.
Net Investment Return:	7.50%

Salary Increases:

Age	Rate (%)
20	6.87
25	6.78
30	6.62
35	6.42
40	6.10
45	5.73
50	5.46
55	5.34
60	5.17

Actuarial Value of Assets:	Sum of actuarial value at beginning of year and increase in cost value during year excluding realized appreciation or losses plus 20 percent of market value at end of year in excess of that preliminary value, adjusted to be within 20 percent of the market value.
Actuarial Cost Method:	Aggregate Actuarial Cost Method. The Actuarial Present Value of Future Normal Costs is allocated over the future salary of the participants.
Changes in Assumptions:	There have been no changes in actuarial assumptions since the last valuation.

EXHIBIT VI

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30
Normal Retirement:	
Eligibility	A participant may retire at (a) age 60 if he has completed 10 years of credited service, or (b) any age if he has completed 30 years of credited service.
Amount	2.00% of final average salary for each year of credited service. This amount cannot be greater than 70% of the final average salary nor less than $400 per month. Final average salary is defined as the highest average compensation over any 42-month period of the employee's last ten years of participation.
Early Retirement:	
Eligibility	A participant may retiree at age 55 if he has completed 25 years of credited service.
Amount	1.85% of final average salary for each year of credited service.
Ordinary Disability:	
Eligibility	5 years of credited service.
Amount	2.00% of final average salary at disability for each year of credited service, payable immediately. This amount cannot be greater than 60% of final average salary nor less than $400 per month.

Extraordinary Disability:

Eligibility	None
Amount	70% of final monthly salary at disability, payable immediately. The amount cannot be less than $400 per month

Termination:

To a participant terminating before becoming eligible for a vested deferred pension from the plan, a lump sum of his own contributions without interest is payable.

Participants terminating after 5 years of actual service who leave their contributions in the System Fund have a non-forfeitable right to a monthly pension beginning at age 60. The form and amount of the pension are the same as the normal pension.

Death Benefits:

If a participant dies prior to his attainment of eligibility for retirement, a lump sum of his own contributions without interest is payable to his beneficiary.

If an active participant who is eligible to retire or a retired participant dies, 45% of the accrued pension benefit is payable to the surviving spouse, if any, during her remaining lifetime. If an active participant who is not eligible to retire, but who has completed 5 years of service dies, a portion of 45% of the accrued pension benefit is payable to the spouse during her remaining lifetime. This portion is defined as follows:

Number of Years of Service	Portion of his Entitled Benefit
5	50%
6	60
7	70
8	80
9	90
10 or more	100

This benefit is payable at the earlier of (a) the date that the deceased participant would have attained age 60 or (b) the date the deceased participant would have completed 20 years of service. In lieu of the above, for all participants, an annuity of 40% of salary

	is payable to the surviving spouse and 10% is payable to a minor child if death is service connected; the maximum for spouse and children is 50%, and the maximum for children if no spouse is 40%. The minimum spouse benefit is $320 per month.
Participation:	All qualified employees are required to participate.
Contributions:	Employees contribute 6.00% of compensation and the employer contributes the additional required amount.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

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